SENATE

FRIDAY, MAY 25, 1962

The Senate met at 10 o'clock a.m., and was called to order by Hon. LEE METCALF, a Senator from the State of Montana.

Rev. Thomas L. Smith, pastor, First Unitarian Church, Duluth, Minn., offered the following prayer:

May we so live that we can serve well the people—shunning the cheap goals that end with provincial concern; being honest when it is easier to conform; keeping honesty as our guide.

We would be worthy of our ancestry in the crust of this earth; standing upright and proud; using the best 20th-century tools to answer 20th-century problems; growing good souls to speak truth in confidence and courage to refresh and lift. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 25, 1962.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. LEE METCALF, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. METCALF thereupon took the chair as Acting President pro tempore.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 3157) to repeal subsection (a) of section 8 of the Public Buildings Act of 1959, limiting the area in the District of Columbia within which sites for public buildings may be acquired, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the joint resolution (S.J. Res. 151) permitting the Secretary of the Interior to continue to deliver water to lands in the third division, Riverton Federal reclamation project, Wyoming, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed a bill (H.R. 10937) to amend the act providing for the economic and social development in the Ryukyu Islands, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 10937) to amend the act providing for the economic and social development in the Ryukyu Islands, was read twice by its title and referred to the Committee on Armed Services.

THE JOURNAL

On request of Mr. HUMPHREY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 24, 1962, was dispensed with.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. HUMPHREY, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

PROPOSED CONCESSION CONTRACT WITHIN INDEPENDENCE NATIONAL HISTORICAL PARK

The ACTING PRESIDENT pro tempore laid before the Senate a letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed concession contract with Lumadrama Inc., within Independence National Historical Park, which, with the accompanying papers, was referred to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A resolution adopted by the State Convention of the Veterans of Foreign Wars, at Honolulu, Hawaii, protesting against any cut of the National Guard; to the Committee on Armed Services.

A resolution adopted by the City Council of the City of Hidden Hills, Calif., protesting against the enactment of legislation to provide a Federal income tax on income derived from public bonds; to the Committee on Finance.

A resolution, embodying a proclamation of the mayor of the city of Brownsville, Tex., proclaiming the month of June 1962, as Boy Scout Recognition Month; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Banking and Currency, without amendment:

S. 2876. A bill to extend the authority to insure mortgages under sections 809 and 810 of the National Housing Act, and to extend the coverage of section 810 to include persons employed at or in connection with an installation of the National Aeronautics and Space Administration or the Atomic Energy Commission (Rept. No. 1533).

By Mr. CANNON, from the Committee on Armed Services, with amendments:

H.R. 7913. An act to amend title 10, United States Code, to bring the number of cadets at the U.S. Military Academy and the U.S. Air Force Academy up to full strength (Rept. No. 1534).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BOGGS:

S. 3346. A bill for the relief of Harold H. Senger; to the Committee on the Judiciary.

By Mr. YARBOROUGH:

S. 3347. A bill authorizing the reconstruction of the Lake Kemp Dam on the Wichita River, Tex., in the interest of flood control and allied purposes; to the Committee on Public Works.

(See the remarks of Mr. YARBOROUGH when he introduced the above bill, which appear under a separate heading.)

By Mr. CAPEHART:

S. 3348. A bill to amend title 38, United States Code, to provide for the payment of pensions to veterans of World War I; to the Committee on Finance.

By Mr. BEALL:

S. 3349. A bill to authorize the burial of the remains of Matthew A. Henson in the Arlington National Cemetery, Va.; to the Committee on Interior and Insular Affairs.

S. 3350. A bill to amend the act of August 7, 1946, relating to the District of Columbia hospital center to extend the time during which appropriations may be made for the purposes of that act; to the Committee on the District of Columbia.

By Mr. BEALL:

S.J. Res. 191. Joint resolution to designate September 17, 1962, as Antietam Day, and for other purposes; to the Committee on the Judiciary.

RESOLUTION

COMMITTEE TO REPRESENT THE SENATE AT DEDICATION OF JUSTIN SMITH MORRILL HOMESTEAD IN VERMONT AS A NATIONAL HISTORIC LANDMARK

Mr. AIKEN (for himself, Mr. COTTON, and Mr. PROUTY) submitted the following resolution (S. Res. 347); which was referred to the Committee on the Judiciary:

Whereas President John F. Kennedy on request of a joint resolution of the Congress, did proclaim, August 25, 1961, that it is fitting and proper to commemorate the centennial of the first Morrill Act, approved by President Abraham Lincoln, July 2, 1862, establishing the land grant system of colleges and universities; and

Whereas the six Governors of the New England States did jointly proclaim, September 11, 1961, endorsement of the centennial observance during the academic year 1961–1962 and the calendar year 1962 as the Morrill Land-Grant Centennial Year in New England; and

Whereas Governor R. Ray Keyser, Junior, of Vermont, did urge, by proclamation, September 12, 1961, that the citizens of Vermont honor Justin Smith Morrill; and

Whereas by resolutions and acts of the 1959 and 1961 sessions of the Vermont Legislature, a committee was appointed and funds appropriated to plan and effect suitable statewide observance of the centennial; and

Whereas citizens of Vermont and elsewhere have established the Justin Smith Morrill Foundation to restore and preserve the Morrill Homestead; and

Whereas the Vermont Centennial Committee has chosen September 9, 1962, for the day of dedication of the Justin Smith Morrill Homestead, located on the highway bearing his name, in Strafford, Vermont, as a National Historic Landmark, registered by the United States Department of the Interior: Be it

Resolved, That the Senate of the United States of America, in recognition of the long and distinguished public services of Senator Morrill, requests the President of the Senate to appoint three of its Members to represent them at these dedication ceremonies; and further

Resolved, That a copy of this resolution, when approved, be sent to each of those named therein.

RECONSTRUCTION OF LAKE KEMP DAM ON WICHITA RIVER, TEX.

Mr. YARBOROUGH. Mr. President, I introduce, for appropriate reference, a bill to authorize the reconstruction of the existing Lake Kemp Dam as recommended by the Army Engineers Board of Engineers for Rivers and Harbors in its report dated May 4, 1962. The proposed construction is needed to provide a new spillway and outlet works, and a 3-foot increase in the height of the dam at Lake Kemp. The present structure there has badly deteriorated and, I am told, is in imminent danger of failure. The new work would preserve the existing conservation benefits, and prevent about 70 percent of all expected flood losses in areas affected by runoff from the drainage basin above Lake Kemp. The estimated first cost of the reconstruction is $8,613,000, and the present plan calls for the necessary amount of participation by local people.

The bill is introduced at this time in order to expedite the consideration of this matter as it is very important that Congress authorize this much-needed structure this session. The people of Wichita Falls, Tex., are very much concerned about the inadequacies of the present structure and urgently desire that Congress take speedy action on this measure.

Wichita Falls, which had some 45,000 people in 1944, today has more than 100,000 population, and the business, residential, and industrial areas have developed rapidly. The city has had floods in 1950, 1955, and 1957, at which reservoir control was available. Without reservoir control, surveys indicate the damage to the city would have been approximately $16 million for any one of the three recent floods.

This indicates the emergency nature of the new spillway and outlet works and increase in the height of the Lake Kemp Dam.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3347) authorizing the reconstruction of the Lake Kemp Dam on the Wichita River, Tex., in the interest of flood control and allied purposes, introduced by Mr. YARBOROUGH, was received, read twice by its title, and referred to the Committee on Public Works.

EMERGENCY EMPLOYMENT PUBLIC WORKS ACT OF 1962—AMENDMENTS

Mr. KERR (for himself, Mr. CHAVEZ, Mr. MCNAMARA, Mr. RANDOLPH, Mr. YOUNG of Ohio, Mr. MUSKIE, Mr. GRUENING, Mr. MOSS, Mr. LONG of Hawaii, Mr. SMITH of Massachusetts, and Mr. METCALF) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 2965) to provide standby authority to accelerate public works programs of the Federal Government and State and local public bodies, which were ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 3, line 23, after "authorized" insert "after June 30, 1963,".

On page 4, line 20, strike out "and", and between lines 20 and 21 insert the following:

"(2) if on such date, according to such data, the total number of unemployed amounts to at least 5 per centum of the total number in the civilian labor force, with adjustments for seasonal variations; and".

On page 4, line 21, strike out "(2)" and insert in lieu thereof "(3)".

On page 5, line 10, strike out "(b)".

On page 6, line 2, beginning with the colon, strike out all to the period in line 5.

On page 6, beginning with line 24, strike out all through "projects or programs" in line 3 on page 7, and insert in lieu thereof the following: "of any project or program of a State or local public body which qualifies under standards established by the President to apply uniformly to all similar areas, grants may be made to such State or local public body under the authority of this section which bring the total of Federal grants available for such project or program".

On page 7, line 10, beginning with the colon, strike out all to the period in line 13.

On page 8, line 3, beginning with the colon, strike out all to the period in line 5.

On page 9, line 20, beginning with "That" strike out all through *"And provided further,"* in line 23.

On page 10, line 20, beginning with "and without regard" strike out all to the period in line 22.

On page 10, line 23, beginning with "the sum" strike out all through the period in line 2 on page 11 and insert in lieu thereof a comma and the following: "to remain available until expended, the sum of $750,000,000 which may be allocated by the President among sections 4, 5, 6, and 7 of this Act, except that at least 10 per centum of any amount appropriated for the purposes of this section shall be used for such purposes with respect to projects and programs in redevelopment areas designated as such under the provisions of section 5(b) of the Area Redevelopment Act."

On page 11, line 12, after "programs" insert "of States or local public bodies".

On page 11, line 21, after "may be made" insert "to a State or local public body".

On page 13, beginning with line 21, strike out all through line 14 on page 15 and insert in lieu thereof the following:

"APPROPRIATIONS AUTHORIZED

"SEC. 10. (a) There is authorized to be appropriated for expenditure after June 30, 1963, to remain available until expended, the sum of $750,000,000 to carry out the provisions, other than section 8, of this Act.

"(b) In carrying out such provisions at least 10 per centum of any amount appropriated pursuant to subsection (a) shall be used with respect to projects and programs in redevelopment areas designated as such under the provisions of section 5(b) of the Area Redevelopment Act."

On page 17, line 19, after "public" insert "and nonprofit".

EMERGENCY EMPLOYMENT PUBLIC WORKS ACT OF 1962

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, during the morning hour, the text of the amendment which I have had printed in the nature of a substitute for S. 2965. I ask this because I have been told it is possible that the so-called emergency public works bill may be before the Senate for consideration on Monday next. Last night I asked to have the amendment printed for the information of Senators. If the bill is to be considered on Monday, I think it would be useful to have, for ready reference by every Senator, a copy of the text of the substitute amendment in the RECORD. Therefore, I ask unanimous consent that it may be printed.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from South Dakota?

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following: "That this Act may be cited as the 'Emergency Employment Public Works Act of 1962'.

"FINDINGS AND PURPOSE

"SEC. 2. The Congress finds that substantial unemployment and underemployment for prolonged periods of time adversely affect the revenues of the Government and the general welfare. The purpose of this Act is to stimulate the economy at such times and in such areas by providing for the acceleration of authorized Federal programs and the authorization of participation in certain small public works projects.

"DECLARATION OF AREAS OF SEVERE ECONOMIC DISTRESS

"SEC. 3. When the President finds that substantial unemployment in any county of the Nation (including the Commonwealth of Puerto Rico and the possessions) is causing unusual and severe economic distress, he may designate the county as an emergency unemployment area for the purpose of this Act. Upon such designation the authority granted in sections 4 and 5 of this Act may be exercised within such county to carry out the purpose of this Act until the President by declaration or Congress by concurrent resolution removes such designation from such county or two years expire, whichever soonest occurs.

"ACCELERATION OF CONSTRUCTION BY FEDERAL DEPARTMENTS AND AGENCIES

"SEC. 4. (a) The head of any department or independent agency of the Government which receives any appropriations for the fiscal year beginning July 1, 1962, or July 1, 1963, for the construction (including reconstruction and additions) by such department or agency of—

"(1) any works of a public nature for improvement of rivers and harbors and other waterways, for navigation, flood control, irrigation, reclamation, development of hydroelectric power, or improvement of watersheds, or

"(2) any public buildings, including post offices, or roads or trails in, or to provide access to, national parks, national forests, Federal reservations, Indian reservations, or public recreation areas, or on the public domain,

may obligate an amount equal to 10 per centum of the total such appropriations to such department or agency for each such

year for the construction (including reconstruction and additions) in areas designated by the President under section 3 of this Act of any such works, buildings, roads, or trails which is authorized by law and which will promote the purpose of this Act. Amounts authorized to be obligated under the provisions of this section shall remain available for obligation without fiscal year limitation and shall be in addition to fiscal year appropriations to such department or agency.

"(b) Not more than 20 per centum of the total cost of any construction project may be paid for under the authorization in this section.

"ASSISTANCE TO CERTAIN SMALL PUBLIC WORKS PROJECTS

"SEC. 5. (a) The head of any department or independent agency of the Government which is authorized by law to make grants or loans to assist in financing any small public works project (as defined in subsection (d) of this section) may make such grants or loans, to the extent of funds appropriated to such department or agency under subsection (c), for the initiation or acceleration of any such small public works project which will promote the purpose of this Act in areas designated by the President under section 3 of this Act. Grants and loans made under the authority of this section shall be in accordance with the terms and conditions of other laws with respect to such grants or loans, except that (1) any requirements in other laws with respect to the apportionment of funds, the time in which grants or loans may be made, or the aggregate dollar amounts of any grant or loan for any particular project or part thereof, shall not apply, and (2) if it is determined in accordance with regulations to be established by the President that the area does not have the economic and financial capacity to assume all of the additional financial obligations required, the provisions in other laws limiting the amount of such grant to a portion of the cost of the project shall not apply but the recipient of the grant shall be required to bear such portion of such cost as it is able to and at least 10 per centum thereof.

"(b) Not more than $500,000 may be obligated for grants and loans under the provisions of this section for each small public works project.

"(c) There is authorized to be appropriated to carry out the provisions of this section $250,000,000 for grants and $250,000,000 for loans.

"(d) For the purpose of this section the term 'small public works project' means the construction, repair, or improvement of public roads on the Federal-aid secondary system (including extensions into urban areas), public streets, sidewalks incident to street or highway construction, roadside areas, parkways, access roads to recreational areas, bridges, and airports; public parks, public school and other public recreational facilities; public hospitals, public rehabilitation and health centers, and other public health facilities; public refuse, garbage, water, sewage, and sanitary facilities; civil defense facilities; public police and fire protection facilities; public educational facilities, laboratories, and other public buildings; and public land, water, timber, fish and wildlife, and other conservation facilities and measures, including small watershed projects.

"REGULATIONS

"SEC. 6. Within the provisions hereof the President is authorized to establish such regulations as may be necessary to carry out the purpose of this Act.

"APPROPRIATIONS AUTHORIZED TO LIQUIDATE OBLIGATIONS

"SEC. 7. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act."

Amend the title so as to read: "A bill to provide authority to accelerate public works programs of the Federal Government and to authorize participation in certain small public works projects in distress areas."

AID TO INDIA

Mr. HUMPHREY. Mr. President, recently I was the recipient of an editorial relating to economic assistance to India. The editorial was published in the Wall Street Journal. I ask unanimous consent that the editorial and a copy of my reply to the editor be printed at this point in the RECORD.

There being no objection, the editorial and the letter were ordered to be printed in the RECORD, as follows:

A COUPLE OF AID CLICHES

When the Senate Foreign Relations Committee voted to cut aid to India 25 percent, there was prompt denunciation of the move from some quarters. And perhaps Minnesota's Senator HUMPHREY and other critics of the cut will succeed in getting it reversed in the committee or on the Senate floor.

Whatever finally happens, we think Mr. HUMPHREY's arguments for restoring the full aid—roughly $800 million for the next fiscal year—are worth a brief look. For they reveal a couple of cliches about foreign aid and India that have too long been taken for granted.

One of the Senator's points is that the full aid "could put the Indian third 5-year plan over the hump. Without it, the Indian plan will fail. India's dreams of overcoming the vicious circle of growing population and plummeting living standards will vanish into thin air."

This assumption that a specific amount of aid will get India on its feet is not borne out by experience. We have been aiding India for quite a while now, to the tune of billions, and the vicious circle shows no signs of disappearing.

It is far from certain that any amount of U.S. aid could perform that trick, but it is easy enough to see why our aid is not more effective. A principal reason, surely, is that it is aid to a Socialist government; among other things, this circumstance means the economy is smothered in controls and resources are inevitably misallocated.

Another stereotype displayed by Mr. HUMPHREY is related to this one. It is to the effect that the world is watching the economic race between free India and totalitarian China. Somehow it is a bit difficult to imagine the millions of downtrodden people in other backward lands eagerly waiting to choose up sides depending on the outcome of this race. Red China, at any rate, usually seems more interested in extending its hegemony by military means.

But if we do want to help India go faster than China, then again it would seem necessary to help it toward greater economic freedom rather than an economic system so similar to communism.

Meantime a cut in the aid appropriation seems perfectly reasonable. What is needed even more is a basic reexamination of some of these foreign-aid myths.

MAY 24, 1962.

The EDITOR, WALL STREET JOURNAL,
New York, N.Y.

DEAR MR. EDITOR: I have read with interest and concern your editorial of May 16, relating to U.S. economic aid to India. Since the date of your editorial the Senate Foreign Relations Committee has reversed its earlier action of sharp reduction of 30 percent in foreign aid funds to India. The committee has, on sober reflection and reexamination, directed that the funds for economic aid for India in fiscal 1963, shall not exceed that of fiscal 1962. This action assures substantial economic assistance and will permit the United States to fulfill its commitments under the terms of the consortium and other agreements.

The earlier action of the committee would have sharply retarded India's third 5-year plan. It would have violated earlier agreements made by both the Eisenhower and Kennedy administrations. It would have played directly into the hands of Krishna Menon and others who are our critics and who seek more power and influence in the political life of India.

I hold to these views despite your assertion of May 16, that our aid to underdeveloped India has been ineffective. On the contrary, India has made exemplary use of U.S. aid. Although the vicious circle of poverty and overpopulation has not disappeared, it has clearly begun to respond to treatment. Since the start of India's 25-year development program, the national income has grown 42 percent, and per capita income (held back by the burgeoning population) has climbed 16 percent above the abysmally low level of $50 per annum in 1950. Impressive gains have been registered in industrial production, education, health, and consumption levels.

India's very dependence upon foreign aid and private foreign investment has served as an incentive for scrupulous use of all external resources. The $3.1 billion worth of U.S. aid during the first decade of planning has gone directly into the Indian economy—not to Swiss banks and not to the private treasuries of dictators.

Moreover, India's 5-year plans meet the self-help criteria set by Congress and President Kennedy. They meet the hardheaded financial standards of the World Bank and the seven-nation consortium (including ourselves) which has assumed much of the external assistance burden of the third 5-year plan. Unlike many other prospective aid recipients, India has not had to be goaded into producing a rational, coherent plan for economic development. On the contrary, she has given us a clear idea in advance of where and how our money is going to be spent.

India's planned economy by no means entails stifling controls and inevitable misallocation of resources. For one thing India's socialism is pragmatic and nondoctrinaire; it is compatible with democratic freedoms and constitutional government. For another thing, state planning has brought spectacular benefits to the private sector of the Indian economy. Whereas entrepreneurs once lacked incentive and drive, they have now been shaken out of their lethargy, private funds are going to work in India where they belong and the stock market is booming. India's planners had the good sense to encourage private investment—both domestic and foreign—and to build the roads, railways, and utilities conducive to commercial health.

India has chosen to make economic and industrial progress without regimentation and without sacrifice of individual rights. Indeed, by concentrating on community development and health projects, India has not infrequently fostered the welfare of the individual at the expense of dramatic statistical gain. Unfortunately, this preference for "evolutionary" rather than "revolutionary" development has only increased India's short-term dependence upon foreign aid. Over the next 10 years approximately 20 percent of India's planned capital investment must come from non-Indian sources. If this amount is not forthcoming, India will not reach the takeoff stage of self-sustained growth soon enough to give a reasonable promise of economic and political stability. This being the case, any cut or threatened

cut in American aid will have inevitable repercussions on the prospects for a democratic India in the future.

I share the concern of my colleagues about the actions of Defense Minister Krishna Menon. I deplore India's stubborn refusal to allow a plebiscite in Kashmir or to accept impartial mediation of her dispute with Pakistan. But I do not agree that an entire nation should be penalized because of our ephemeral policy differences with New Delhi. If India were in fact using our aid to build up its armed forces against Pakistan, we would have ample reason to complain. Indian defense costs, however, have dropped steadily as a proportion of the total national budget since 1956, and the recent increase in defense spending has clearly been a justified reaction to the threat of Chinese aggression from the north.

It may be a matter of indifference to some people whether free India or stumbling, totalitarian China proves itself fit for survival in the highly competitive circumstances of the 20th century. It may be that the race between freedom and totalitarianism means little or nothing to the downtrodden millions of the world. But I will wager that the rulers of these downtrodden millions are watching the race and are hanging on the outcome. India is one of the few underdeveloped countries with a fighting chance to prove that self-sustained growth can be achieved without authoritarianism. Given her strategic location, her democratic instincts, her huge population, her influence in the councils of the nonalined, and her determination to succeed, we cannot let India fall through doctrinaire blindness on our own part.

Sincerely,

HUBERT H. HUMPHREY.

THE CLOTURE MOTION VOTE ON THE LITERACY TEST BILL

Mr. HUMPHREY. Mr. President, at the time of the debate on the literacy test bill and the attempt of the majority and minority leadership to have cloture imposed, I asked the Bureau of the Census, of the Department of Commerce, by letter of May 14, to send me the population statistics relating to the Senate vote on cloture.

I have received from Richard M. Scammon, Director of the Bureau of the Census, a response to my letter of May 14.

In my letter I stated:

I would be very much interested in knowing the approximate numbers of people represented by those in the Senate of the United States who voted against cloture last week, as against those who voted for cloture.

Although the vote in the Senate for cloture was less than a majority, I have an idea that the Senators voting for cloture represented an overwhelming proportion of the American people.

May I have this information as soon as possible.

I ask unanimous consent that both of these letters be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MAY 14, 1962.

Mr. RICHARD SCAMMON,
Director, Bureau of the Census,
Washington, D.C.

DEAR MR. SCAMMON: I would be very much interested in knowing the approximate numbers of people represented by those in the Senate of the United States who voted against cloture last week, as against those who voted for cloture.

Although the vote in the Senate for cloture was less than a majority, I have an idea that the Senators voting for cloture represented an overwhelming proportion of the American people.

May I have this information as soon as possible?

With best wishes.

Sincerely,

HUBERT H. HUMPHREY.

U.S. DEPARTMENT OF COMMERCE,
BUREAU OF CENSUS,
Washington, D.C., May 17, 1962.

Hon. HUBERT H. HUMPHREY,
U.S. Senate, Washington, D.C.

DEAR HUBERT: In response to the request contained in your recent letter, totals have been computed on the basis of the most recent Senate vote on cloture—that of May 14.

Assigning each Senator a population figure equal to one-half his State's 1960 census population, these are the totals you requested:

	Population
46 Senators for cloture (including pairs)	111,121,000
54 Senators against cloture (including pairs)	67,439,000

Totals are rounded to the nearest thousand and voting detail as reported on page 8294 of the CONGRESSIONAL RECORD.

Sincerely,

RICHARD M. SCAMMON,
Director, Bureau of the Census.

THE LATE SENATOR SCHOEPPEL OF KANSAS

Mr. DIRKSEN. Mr. President in connection with the memorial services to the late, beloved Senator Andrew F. Schoeppel, I should like to insert in the RECORD a memorial of the Wichita Bar Association, along with the prayer of the Chaplain of the Senate, Dr. Frederick Brown Harris. I had hoped the tribute and the prayer could be printed in the memorial booklet dedicated to the memory of Senator Schoeppel.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEMORIAL TO ANDREW F. SCHOEPPEL

We pause at this session of the Wichita Bar Association to pay tribute to the memory of a departed friend and brother of this bar whose service to his community, State, and Nation and to the people of Kansas has, in large measure, guided the destiny of our State. In 39 years of the practice of law in his native State, Andrew F. Schoeppel, know to his many friends as "Andy," won the respect, esteem, and affection of the bench and bar.

Senator Andy Schoeppel was born in Clalin, Barton County, Kans., November 23, 1894. He attended Kansas University and in 1923 obtained his law degree from the University of Nebraska, where he was mentioned as an all-American on the "Cornhusker" football squad. On February 3, 1923, he commenced the practice of law in Ness City, Kans., as a partner in the firm of Peters & Schoeppel. In 1931, the Honorable Loren T. Peters assumed the bench of the district court of the 33d judicial district of Kansas and "Andy" formed a law partnership with Tom Smyth under the firm name of Schoeppel & Smyth, which firm prospered until 1939.

During these 16 years in Ness County, our friend Andy Schoeppel served as county attorney and as city attorney and mayor of Ness City. He also held such offices as chairman of the Ness County Republican Central Committee and as a member of the Ness City School Board.

In 1939 he became chairman of the Kansas Corporation Commission where he served with distinction until May 1942 when he resigned to become a candidate for Governor of his native State. He was elected and then reelected in 1944, at which time he gained the further distinction of being the only candidate for Governor in Kansas history to receive a majority vote in every one of the 105 Kansas counties.

Andy Schoeppel's two terms as Governor were completed in January 1947, at which time he joined the Wichita law firm of Foulston, Siefkin, Schoeppel, Bartlett & Powers. In 1948 he was elected to the U.S. Senate, where he served until his death on January 21, 1962.

Among his colleagues in the upper Chamber of the National Congress, Andy Schoeppel was regarded as a rugged statesman, typifying the Kansas pioneer spirit. He was a man of sincere convictions and honesty of purpose—and this is so aptly demonstrated by the phrase heard so often from his lips, "I try to call 'em as I see 'em."

In his years of public service he was held in high esteem not only by his colleagues with whom he served, but by his constituents, the people of Kansas.

Senator Andrew F. Schoeppel was an able lawyer, a distinguished statesman, a patriotic Christian citizen, a devoted husband and a good friend to every Kansan. We, of the bench and bar, mourn the loss of our friend Andy Schoeppel, and yet, in his passing, there is consolation in the knowledge that he left behind a splendid public record and that he died as he lived—in the service of his State and Nation and his fellow man.

And so, as we pause to honor the memory of Senator Andrew F. Schoeppel, there is a stillness which sobers our thoughts and fills our hearts and there is left a great void in the wake of his going.

MEMORIAL COMMITTEE OF THE
WICHITA BAR ASSOCIATION,
EDWARD F. ARN.

DR. FREDERICK BROWN HARRIS, IN WASHINGTON, AT THE FUNERAL SERVICE OF SENATOR ANDREW F. SCHOEPPEL, JANUARY 26, 1962

We come this hour to offer thanks for the life and service of one whose name will shine in the annals of the Republic among those renowned for their power, leaders of the people who gave counsel by their understanding; who were richly furnished with ability and who were the glory of their time—men who have left a name behind them that their praises may be reported. Their bodies are buried in peace but their names live forever more.

We think of the public servant we honor today, who has gone from our side and sight, as a statesman lofty in character, diligent in the Nation's business, tenacious in his convictions, scornful of the appeasement of evil, whose ruling passion was a deep concern for the Republic's welfare.

We remember today his loyalty to those whose interests were his responsibility, whose welfare was put in his hands for execution. We are gratefully conscious that he was ever ready to defend the precious things we hold nearest our hearts and which in the global conflict now raging are threatened by malignant forces which have not Thee in awe.

Proudly he walked about freedom's ramparts which he watched with all his dedicated ability as he perceived with alert eyes the dire dangers which threaten freedom's very survival in these days of the Republic's most crucial need.

And now as Andrew F. Schoeppel has kept the faith and finished his course we think of him as in all his relationships, private and public, he did justly, loved mercy, and walked humbly with Thee, his God, as he had learned—

To think without confusion clearly,
To act from honest motives purely,
To love his fellow man sincerely,
To trust in God and heaven securely.

We pray for the choicest blessings of Thy consoling grace upon the dear companion of these beautiful years. Her life has been so much a part of his, as in life's holiest partnership they lived together in their house by the side of the road, looking up and not down, looking out and not in, and lending a hand.

We thank Thee, as they came hand in hand, down these lengthening years facing life's joys and griefs together that they have never been deceived as to where life's true treasures are, and that the sham and show of mere things to live with has never obscured in their home the greater glory of things worth living for.

HEALTH INSURANCE FOR THE AGED

Mr. METCALF. Mr. President, the Havre, Mont., Daily News of April 13, 1962, carried a letter from Mr. E. W. Frederick, of Havre, dealing with health insurance for the aged. Mr. Frederick recognizes the inability of the Kerr-Mills program to meet the health needs of the aged and he advocates the passage of H.R. 4222 to meet these pressing needs. Of course the Kerr-Mills bill is not operative in Montana because the Montana Legislature has not enacted the necessary legislation to provide for State participation.

As of the most recent report I have—May 14—from the Department of Health, Education, and Welfare, 24 States plus Guam, Puerto Rico, and the Virgin Islands were participating in the new medical assistance for the aged program.

As of the same date, 31 States plus Guam, Puerto Rico, and the Virgin Islands were listed by the Department as having expanded State health care programs for the aged with increased Federal matching grants.

I believe Mr. Frederick speaks for many of our older citizens when he recognizes the same opponents with the same arguments fighting health insurance for the aged as they fought the original Social Security Act.

He certainly states the duty of this Congress to our senior citizens when he says:

They cannot be shoved aside and denied benefits they badly need after a lifetime of hard work.

I ask unanimous consent to have the letter printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR SIR: Recently on NBC–TV news, over 40 leading doctors appeared favoring the King-Anderson bill for hospital care for the aged. They stated many more doctors also favored the bill. This, despite the fact that AMA (which has one of the most powerful lobbies in Washington) is spending enormous sums to defeat the bill. The AMA favors the Kerr-Mills Act, and yet after more than a year, less than 1 percent of the aged have received any benefits from the Kerr-Mills Act.

Other powerful interests are in Washington trying to deprive the needy and aged from the benefits of the King-Anderson Act. In 1937 the Social Security and the Railway Retirement Acts were passed. This, after a hard fought battle against NAM, U.S.C. of C. and insurance companies and others. They claimed it would strangle private enterprise. The opposite proved true. Insurance sales have mounted up and up, year after year. Also all other business has continued to gain and prosper over the years. What would happen to the economy of Havre, the State and Nation today, if social security and railway retirement benefits were suddenly cut off? I am afraid the picture would be pretty dark and dismal. Yet the same propaganda is being used today almost word for word, as 25 years ago when they fought so hard to defeat the bills, now doing so much good.

There is close to 17 million people involved in the King-Anderson bill. The years roll rapidly by and millions more will be added. They cannot be shoved aside and denied benefits they badly need after a lifetime of hard work. These people are writing letters by the thousands to our U.S. Senators and Representatives to support the King-Anderson bill. I hope with all my heart that they are successful.

E. W. FREDERICK.

DEATH OF CHARLES D. WATKINS

Mr. BARTLETT. Mr. President, I lost a friend yesterday in the death of Charles D. Watkins. So did everyone else whose good fortune it was to come to know this gentle, this kind man. "Doc" Watkins was 77 years old when he died yesterday morning after a long illness. He died without knowing his wife of many years had preceded him in death by only a few days. They lived a full life together and they started out on the final and great adventure almost together, almost hand in hand at the end.

"Doc" Watkins was a newspaperman. He was a reporter and served the Associated Press in Washington and elsewhere during a long and active career. He was a good reporter. No man in journalism could have been less like the turbulent, brawling crew depicted in Charles MacArthur's "Front Page" than he. He was soft-voiced, retiring. But he knew his job. "Doc" Watkins was more than a good reporter. He was a first-rate reporter, objective, shrewd at sifting fact from fancy and when he had accumulated his facts he put them down on paper in highly readable form.

I was fortunate enough to have come to the Congress when "Doc" Watkins was covering some of the Pacific Northwest States, and Alaska. So far as I was concerned, a relationship which might be described as businesslike at the outset became personal and my liking for "Doc" grew into friendship and affection.

After leaving the Associated Press, Mr. Watkins joined the staff of the Senate Commerce Committee where he served the taxpayers as well as he had served the reading public before.

Surviving is his son Orville, administrative assistant to Resident Commissioner A. FERNÓS-ISERN, of Puerto Rico.

Surviving also are many, many such as myself unrelated by blood who will mourn his death and who feel their lives were enriched by their having known Charles D. Watkins.

THIRTY-EIGHTH CONGRESS OF THE SLOVAK LEAGUE OF AMERICA

Mr. BUSH. Mr. President, on May 27 through May 29, the Slovak League of America will hold its 38th Congress at the Hotel Tuller in Detroit, Mich. Connecticut is particularly proud of its many citizens who are of Slovak extraction. They have been excellent Americans, firmly dedicated to the principles upon which our country is founded, and have contributed in a major sense to the civic and cultural advancement of their respective communities.

I have sent a letter to Mr. Philip A. Hrobak, president of the Slovak League of America, and I ask unanimous consent that the text of the message be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 22, 1962.

Mr. PHILIP A. HROBAK,
President, Slovak League of America,
Middletown, Pa.

DEAR MR. HROBAK: Thank you for informing me of the forthcoming meeting of the Slovak League of America.

I proudly join with all those in attendance at the 38th Congress of the Slovak League of America in supporting the objective of self-determination for the people of Slovakia, and for all peoples caught in the snare of communism.

The Slovaks are known to be a proud, talented, industrious, and deeply religious people who continue to aspire to the attainment of freedom and liberty, despite the many years of Communist domination.

I am firmly convinced that one day the people of Slovakia will reach their goal—that they will decide for themselves what form of government they will have—and that they will choose to join the ranks of the free nations.

Please extend my warm regards to all present.

PRESCOTT BUSH,
U.S. Senator.

URBAN RENEWAL AND REDEVELOPMENT PROGRAM

Mr. BUSH. Mr. President, the urban renewal and redevelopment program is often mistakenly regarded as being one which benefits big cities only. An article entitled, "The Town That Refused To Die," in the current issue of Connecticut Planning, published by the Connecticut State Development Commission, is an excellent review of how this program helped one of the smaller towns in my State, the town of Washington—population 2,605—recover from the 1955 flood disasters.

I take a great deal of satisfaction from my participation in framing the Federal legislation which enabled this community and others in my State to obtain assistance under the urban renewal and redevelopment program to improve areas which were devastated by the floods. It has been a rewarding experience to work with the local officials on their community programs.

Mr. President, one of the exceptional features of the Washington program is that the redevelopers were all businessmen of the community who had been affected by the flood, and who used their own funds and those of a nonprofit corporation composed of 36 local contributors who made loans without interest.

In my judgment, the chances for successful completion of an urban renewal and redevelopment program are improved, and the time required is reduced, when local people and local capital are involved rather than reliance being placed upon an outside developer. I hope the town of Washington's experience may inspire other communities to follow this example.

Mr. President, I ask unanimous consent that the article to which I have referred be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE TOWN THAT REFUSED TO DIE—FIRST TO COMPLETE STATE-AIDED URBAN RENEWAL PROJECT

August 19, 1955, was a black day indeed. The backlash of hurricane Diane dealt a disastrous blow to the northeast, especially Connecticut. Torrential rains and floods, with high winds, raised havoc in the river lowlands, indiscriminately inundating and scouring anything and everything in their path.

That next morning even the bright sun could not mask the seemingly hopeless sight of one of the smaller Connecticut communities, Washington (population 2,605).

But, the town refused to die. The unselfish and many times heroic efforts of its people to rebuild and at the same time insure themselves against a recurrence of this tragedy has been told throughout the country. The town has received a national award from the 1960 competition for the Ward Melville Gold Medal for outstanding accomplishment in community improvement. It stands as an example of cooperative participation between leading officials of farsighted judgment and public spirited and unselfishly cooperative citizens.

This effort, together with Federal and State funds under the provisions of the flood redevelopment assistance program, were brought to a climax last March 4, when the town's flood redevelopment project was completed. Washington now has a brandnew business center without having lost any of its original charm or the feeling of permanence that come with a hundred years and more of living. Washington is here featured for it holds the distinction of being the first to complete a State-aided urban renewal project in Connecticut.

Recreation facilities, including park areas and playing fields, have taken shape in the old flood plains along the banks of the Shepaug River. The river itself is more attractive now than it had been for 50 years. Sewage no longer pollutes its waters, and plans have been made to preserve its banks for public use.

An architect was hired by the agency to design the new buildings but also to conform the general appearance of these proposed buildings to the general appearance of the town.

An unusual aspect about this rebirth of Washington is that the redevelopers were all business members of the community who had been affected by the flood. They used their own funds and those of a nonprofit corporation composed of 36 local contributors who made loans interest free.

Eleven retail establishments were relocated and designed with ample offstreet parking and better facilities. In all, 7 new buildings were constructed to house, in addition to the retail uses, 16 separate retail and institutional functions.

An HHFA requirement not allowing a redevelopment agency to retain vacant land for future use was resolved by allowing the nonprofit corporation to temporarily hold approximately 50 percent more space for future expansion and new uses.

All but one of the original business tenants returned to the buildings in the project. Four new businesses have been added. Two other buildings were constructed outside the project to help local merchants to relocate immediately, thus preventing the loss of business to other communities and at the same time prohibiting immediate rebuilding on the old site.

The physical layout of the town can now meet the demands of future growth. Even the cultural activities of Washington have mushroomed in unprecedented growth. With a sound fiscal structure for the town government, there is considerable promise for future long-range dividends. The town is already earning a 6-percent return on its investment in the urban renewal project from taxes on the new structures erected by private individuals.

The devoted efforts of town officials and local citizens, with the leadership of Henry Van Sinderen, chairman of the planning and zoning commission, and secretary of the redevelopment authority, have produced these results. It would be safe to say, at this writing, that Washington is not going to sit back and contemplate its remarkable achievements. They realize that such a program is a never-ending one. Washington's recent history will never allow it to stop here.

TRANSPORTATION SAFETY RECORDS

Mr. LAUSCHE. Mr. President, conflicting statements have been made on the floor of the Senate relative, first, to the comparative transportation safety records, and second, to the participation in the Civil Reserve Air Fleet respectively of the U.S. certificated route air carriers on the one hand and the supplemental air carriers on the other.

Aiming to obtain the official facts with respect to these two issues, I addressed separate letters to Mr. Alan J. Boyd, Chairman of the Civil Aeronautics Board, asking him for official figures on the safety record of the two systems of air carriers; and also to Mr. Theodore Hardeen, Jr., Administrator of the Defense Air Transportation Administration of the U.S. Department of Commerce, asking him for official information dealing with the allocated participation of the supplemental air carriers and the certificated air carriers in the Civil Reserve Air Fleet.

In the operations of the certificated route air carriers, the records of the Civil Aeronautics Board show that the fatality rate per 100 million passenger-miles flown was 0.29 for 1961 compared with 0.75 for 1960; and with respect to the U.S. supplemental air carriers during the same year of 1961, the fatality rate per 100 million passenger-miles flown was 6 in 1961 compared to 4.21 for 1960.

Coming to the participation of the U.S. supplemental air carriers and the certificated air carriers in the Civil Air Reserve Fleet, the revised allocation to the Civil Reserve Air Fleet of the Department of Defense for the fiscal year of 1962–63, the Table of Allocations issued by the Defense Air Transportation Administration of the Department of Commerce shows that of 325 planes required for the Civil Reserve Air Fleet, 43 are provided by the supplemental air carriers—10 of which are unpressurized DC–4's, the balance being piston-engine aircraft except for 2 CL–44's leased but not owned by Overseas National.

The U.S. certificated air carriers provide 282 of the 325 planes comprising the fleet.

The figures which I have given are taken from the official records respectively of the Civil Aeronautics Board dealing with safety and the Defense Air Transportation Administration of the Department of Commerce dealing with the Civil Reserve Air Fleet.

Mr. President, I ask unanimous consent that a press release issued by the Civil Aeronautics Board on January 8, 1962, dealing with safety records be fully printed into the RECORD, and also the table showing the allocation made to supplemental air carriers and certificated air carriers by the Defense Air Transportation Administration into the Civil Reserve Air Fleet for the fiscal year of 1962–63.

There being no objection, the press release and table were ordered to be printed in the RECORD, as follows:

CIVIL AERONAUTICS BOARD PRESS RELEASE

The Civil Aeronautics Board today announced that for the 10th consecutive year the fatality rate per 100 million passenger-miles flown by U.S. certificated route air carriers was less than 1.

The CAB Bureau of Safety figures revealed that 1961 had proven to be one of the safest years ever flown by U.S. certificated route air carriers. The preliminary fatality rate per 100 million passenger-miles flown was 0.29 for 1961 which compared with 0.75 for 1960.

The U.S. supplemental air carrier industry during the same year, 1961, had an estimated fatality rate per 100 million passenger-miles flown of 6 which compared with 4.21 for 1960.

The Board pointed out that U.S. certificated route air carriers in international service operated throughout 1961 without a single fatal accident.

The two tables attached present a brief statistical picture of passenger operational safety compiled by the CAB Bureau of Safety for both the U.S. certificated route air carriers and the U.S. supplemental air carriers for the past 10 years.

U.S. certificated route air carriers

Year	Scheduled passenger service				Civil and military passenger operations			
	Fatal accidents	Passenger fatalities	Passengers carried	Passenger fatality rate per 100,000,000 passenger-miles	Fatal accidents	Passenger fatalities	Passengers carried	Passenger fatality rate per 100,000,000 passenger-miles
1952	8	140	27,569,902	0.86	1	26	695,335	2.07
1953	6	88	31,645,567	.46	5	141	724,014	11.21
1954	5	17	35,447,523	.07	1	9	695,152	.72
1955	9	197	41,707,543	.62	2	27	788,783	1.93
1956	6	152	46,004,528	.60	0	0	663,603	0
1957	6	70	49,423,170	.21	0	0	535,248	0
1958	8	125	49,165,720	.38	0	0	676,072	0
1959	10	268	56,002,094	.71	1	1	895,518	.06
1960	[1] 12	336	57,886,566	.75	2	93	1,057,933	4.21
1961	5	124	[2] 58,000,000	[2] .29	2	151	[2] 1,000,000	[2] 6.0

[1] 2 of these accidents were midair collisions between air-carrier and non-air-carrier aircraft with fatalities resulting in the latter category only.

[2] Estimated.

Proposed fiscal year 1962–63 CRAF allocation

	DC-4	DC-6A	DC-7BF	DC-7CF	L-1049H	L-1649AF	CL-44	B707 (300)	B707 (200)	B707 (100)	DC-8	C880 (22M)	Atlantic	Pacific	Total
AAXICO		8											8	0	8
Alaska		1 P										1	1	1	2
American										22			22	0	22
Braniff		1							4				5	0	5
*Capital					5								5	0	5
Continental										4			4	0	4
Delta											6		6	0	6
Eastern											15		15	0	15
Flying Tiger					10 P		7 P						0	17	17
National					4						3		7	0	7
Northwest				5 P							5 P		0	10	10
*Overseas National							2 P						0	2	2
Pan American	8			13 P				25 P		6	19 P		14	57	71
*Quaker City		3 P											0	3	3
Riddle				10 P									0	10	10
Seaboard World					8		4						12	0	12
Slick	1 P				5 P		2 P						0	8	8
Southern Air		3 P											0	3	3
Trans Caribbean											1		1	0	1
*Trans International					4 P								0	4	4
Trans World						12		[1] 12		15			34	5	39
United		7	6 P								[2] 29		22	20	42
*U.S. Overseas	10	2 P											10	2	12
*World		8 P			5 P								0	13	13
*Zantop		4 P											0	4	4
Total	19	37	6	28	41	12	15	37	4	47	78	1	166	159	325

P—Pacific. [1] 5 Pacific., 7 Atlantic. [2] 14 (OW) Pacific, 15 Atlantic.

*Supplemental carriers. Apr. 13, 1962.

Source: Defense Air Transportation Administration, Washington, D.C.

THE NATO ALLIANCE

Mr. SCOTT. Mr. President, this administration was fortunate to inherit from the Eisenhower administration a strong commitment to the NATO alliance. Our ties with the NATO countries enable us to forge a strong front against the threat of the Communist world. It is my prayerful hope that a tendency to mismanage our diplomatic relations with some of the countries making up the NATO alliance will not undermine our first line of defense of the free world. One wonders whether our foreign policy, as it is now being conducted, is consistently in the best interest of the United States or whether it may cause the eventual erosion of our defenses against the Soviet and its satellites.

I ask unanimous consent, Mr. President that a recent article by Joseph Alsop titled "The Root of the Difficulty" be included at this point in the RECORD. It is thought provoking and should be read.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ROOT OF THE DIFFICULTY

(By Joseph Alsop)

"Blaming foreigners is one of the marks of a world power that is losing its self-confidence."

This anonymous maxim badly needs to be remembered in Washington at the moment, where the troubles in the Western Alliance are being simultaneously underrated and crossly blamed on the wrongheadedness of our allies.

Maybe our allies have been wrongheaded. But the blame is ours if our interests are endangered, and we could have forestalled this dangerous wrongheadedness by our own efforts. Such is the maxim's meaning.

To see how it applies in the present case, you have only to look at the course of events in Germany. Until a very short time ago, unquestioning reliance on the partnership with the United States was the first maxim of German policy. On this basis, Chancellor Adenauer had rebuilt Germany from its postwar ruins. From this maxim, it used to seem impossible that Adenauer would ever depart.

In recent months, moreover, the value to this country of the German-American partnership was greatly enhanced by a decision taken by the Kennedy administration concerning relations with France. Mortal offense was given to Gen. Charles de Gaulle by this decision, to refuse him the kind of nuclear cooperation that we gave the English.

Standing alone, General de Gaulle has almost no power to frustrate American policy. He is a giant figure, but in lonely isolation he cannot mold the future development of Europe according to his views. Alone, he cannot insist upon the hardest and ugliest bargain in the European-American trade negotiations that will follow passage of the Kennedy trade bill. Alone, he cannot even block Britain's entry into Europe on reasonable terms.

To do any or all of these things, in fact, De Gaulle needs the active partnership and support of his friends, the Germans. In other words, if the Germans could be counted on to consider President Kennedy's wishes ahead of General de Gaulle's wishes, the present trouble in the Western alliance would be limited to France alone.

Unhappily, however, while enhancing the value of the German-American partnership

with one hand, the Washington policymakers chose to assure the deterioration of this partnership with the other hand. This resulted from the way the Berlin problem was managed.

The German interests in the Berlin problem is obvious. The need for German assumption of joint responsibility for any solution of the Berlin problem is also obvious. Equally obvious is the need to do business with the government of Konrad Adenauer on a personal basis, through a representative in Bonn who can command the Chancellor's respect, who can remove his occasional misunderstandings, who can also thread his way through the labyrinth of other personalities and agencies in Bonn.

The able U.S. Ambassador in Bonn, Walter Dowling, is just such a representative. But the management of the crucial Berlin problem has been wholly centered in Washington, in the vast, churning Berlin task force in the State Department, and in the related ambassadorial working group.

Chancellor Adenauer has been kept informed impersonally, by messages transmitted through the German Embassy here, no doubt with occasional hostile commentaries. Ambassador Dowling has been getting informational copies, which gave him little chance to prepare, or to explain, or to persuade. Warnings of trouble ahead from the Bonn Embassy have been scornfully dismissed in Washington as mere symptoms of "localitis" and now the trouble has come, and it has certainly not been cured, as widely advertised, by recent patch-up measures.

In this very important German instance, the cause of the trouble was largely mechanical. But this mechanical failure derived from another kind of failure, of a more general and more damaging kind. This is a failure in the basic organization of the State Department.

Seen from abroad, the Kennedy State Department does not as yet appear as a unified, coherent, purposeful instrument of American policy. It appears, rather, as a whole congeries of groups, and subgroups, and committees, and personages, all relentlessly traveling in their own directions, on their own individual errands, without much reference to what the rest may be doing or thinking.

Thus those who were working on the Berlin problem plowed ahead, with little consideration of the effects on the German-American relationship or on the broader European pattern. Thus the decision to tell General de Gaulle to go to the devil was also taken in isolation from other decisions. Thus the decision about Laos seems about to be taken with little consideration for the effects in Vietnam, or for the situation in China. This is the root of the difficulty, and until it is overcome the Kennedy administration is bound to go on running into bad trouble overseas.

Mr. SCOTT. Mr. President, along the same line, I also would like to call attention to a column by Constantine Brown, which also underlines this administration's relationship with still another NATO ally. Much has been said in the past, Mr. President, concerning the prestige standing of the United States. Our alleged unpopularity seemed to have been a major concern to some candidates and their advisers in 1960. Now we no longer hear of prestige, but we are constantly and increasingly reminded by reports from abroad that some of our allies in our continuing fight against communism are not quite sure whether we know or care about the erosion of our longtime friendships with old allies.

Mr. President, Portugal is an important cog in the NATO machine. It is my understanding that the United States will shortly be negotiating with Portugal over our continued use of the Azores for military operations. The Azores are the crossroads of the Atlantic. From an aerospace point of view, use of the Azores permits increased payloads for support of us and NATO forces overseas, rapid deployments and redeployments of combat aircraft, and reliable communications in a worldwide aerospace net. From a naval point of view, the strategic location of the Azores is a prominent factor in control of sea lines of communication in the central Atlantic. Rapid deployment of substantial ground forces by air is also realized through use of the Azores. Of the multiplicity of transatlantic air routes available, those utilizing the Azores are the most satisfactory, primarily because of the good weather along this route and time-distance factors. Other routes provide needed flexibility and increased capacity. One of the islands of the Azores has long been valued by our Armed Forces as "the biggest gas station in the world." We are likely to pay dearly for the continued use of it.

As Portugal's major contribution to NATO plans, the Azores base is representative of the unity of purpose and integration of resources existing among the Atlantic nations in defense of the free world.

Again, Mr. President, I would hope that those who formulate our worldwide foreign policy would consider and coordinate their moves with the best interest of the United States, its security, and its relationships with its proven allies. I feel that Mr. Brown's article is timely and reemphasizes the question, "Is our present foreign policy in the best interest of the United States?"

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A PORTUGUESE VIEW OF UNITED STATES—RESENTMENT OF ACTION BY WASHINGTON IN RECENT INCIDENTS FOUND IN LISBON

(By Constantine Brown)

LISBON.—"You Americans are throwing your old and tried friends overboard on the chance of making new, untried ones." This refrain has been heard by this reporter throughout Western Europe, but nowhere as loudly as in Lisbon.

Not only Portuguese Government officials, but ordinary citizens such as professors and lawyers with whom I have come in contact during a week's stay here are bitter over the cavalier way in which the American Government has been treating this little country. All are mindful that Portugal long has been our friend; she was our active ally in World War I, gave us vital strategic bases in the Azores during World War II, and finally has been a stanch member of the NATO since its inception. Unlike other NATO members, especially the larger countries, Portugal has had very limited economic and military assistance. There was no need for it, for after the war the economy of Portugal was in fair shape. In as far as military assistance was concerned, the limited amount Lisbon received was used to train some of her forces set aside to cooperate with those of the other members in the event of a Soviet march on the channel.

Yet, ever since the drives for independence in Africa, which our administration supported with the enthusiasm of a zealot, Portugal has had more kicks in the shins from the United States than it received throughout its long history.

The Portuguese Government did not expect America's support on every occasion of crisis because of its membership in the North Atlantic Treaty Organization. The realistic Portuguese diplomats have been making allowances for the fact that in as far as their oversea territories of Angola and Mozambique are concerned, the American Government will have to maintain a reserved attitude toward Portugal's rights in those areas—as it did when British and French colonies demanded and obtained their often premature independence.

The Portuguese Government was astounded, however, and the people deeply grieved and offended at the actions of Washington in recent times over matters which did not involve inborn American principles. For instance, there was the decision of the State Department concerning the adventurer, Captain Galvao, when he perpetrated an act of piracy on the high seas by hijacking the Portuguese liner *Santa Maria*. According to international maritime law he should have been treated as a pirate—and the Navy Department so announced when the news first reached Washington. But this stand was reversed by the State Department, which decided to consider Galvao as a political rebel against the Salazar dictatorship and adopted a "kid gloves" policy.

Then there was the far more important affair of the Portuguese enclaves in India, when the Indian Government became guilty of rank aggression. Except for expressing deep sorrow at the Indian attack—not anger and indignation—the administration in Washington did nothing else. A few days later Ambassador Adlai Stevenson at the United Nations voted in favor of a condemnation of Portugal because of its slowness in following Belgium's example and abandoning its national territory, Angola, to the so-called Angolese nationalists.

The Portuguese people as well as their government still live in another century. They continue to believe that alliances and political compacts mean something. The Salazar administration did not expect military assistance from the United States when Goa was attacked by the Indians, nor any help in war materials or transport planes to strengthen its garrisons in Angola and Mozambique. That was not provided for in the North Atlantic Pact. But it did expect moral support in the United Nations, which the American Government has come to regard as a cure-all for such disturbances as the Indians have been guilty of.

All they got, dolefully said a Portuguese high official, were some friendly editorials in the American press and a perfunctory expression of sorrow from the State Department which was completely offset by the semiofficial visit of Mrs. Kennedy to India shortly thereafter.

The ambassador of a NATO power clarified the state of mind of the Portuguese by telling your reporter the following incident: When the Berlin crisis gave reason for serious concern to Washington the American Envoy here, Bourke Elbrick, asked the Portuguese Government what and how much help it would be able to provide in the event of a conflict. The Portuguese read the note and replied, "Have you presented similar inquiries to the governments of Ghana, Mali, and Guinea?"

The Ambassador was somewhat taken aback and replied that these African republics were not members of the NATO.

"Well," answered the Portuguese, "but they are your newly chosen friends for whom you go to bat at every occasion."

FROM MOLECULES TO MAN

Mr. ERVIN. Mr. President, recently Dr. Jonas Salk spoke before the National Press Club here in Washington. As is invariably the case, Dr. Salk made an interesting and thought-provoking speech. I should like to call the attention of the Senate to his address entitled "From Molecules to Man."

I believe that my colleagues will find of particular interest Dr. Salk's reference to the Salk Institute for Biological Studies which is now under construction in San Diego, Calif. It is my understanding that this institute, which will augment greatly our Nation's scientific research facilities, will be similar to such research facilities as the Pasteur Institute, the Lister Institute, the Weizman Institute and the Rockefeller Institute. There are all too few of these establishments and it is good and exciting news to learn that another is to be erected and in our country.

Dr. Salk's scientific research has already resulted in a preventive for polio. This achievement portends great scientific medical progress at the institute which he will head.

I ask unanimous consent that Dr. Salk's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

FROM MOLECULES TO MAN

(By Dr. Jonas Salk)

When living systems are looked upon as a whole there is a sense of liberation as well as a feeling that we may know more than we know we know. How many and how great are the insights and powers conferred upon an adjacent science by removing the barrier of distinction. This has long been true of human knowledge as it has steadily evolved. The relatively recent bridging of physics and biology has been as unifying as the earlier bridging of chemistry and biology, and still earlier the union of physics and astronomy.

Biology is unique among the sciences in that it can be looked upon as constituting a natural bridge from the sciences concerned with the physical universe to the subject matter of the humanities in a way that possesses the possibility of uniting the cultures that are viewed as being divided, with an ever-widening gap.

It has been implied by some that a humanist should know the second law of thermodynamics and that a scientist should know the works of Blake. Although one cannot question the desirability of so broad an orientation, can we suggest, as a more immediate need, for a humanist to understand biological systems that he may understand the biological nature of man? To extend this thought, should he not also understand the nature of man's evolution all the way from elementary physical particles, and should not the biologist, and other scientists, also view man's scientific and humanistic inclinations, desires, and expressions as part of his biological nature? The mechanism for carrying the information code of living material in DNA is remarkable. But how much more remarkable is the mechanism involved in human thought and human creativity?

What is implied is that man, to be man, must understand evolution and he must understand the nature of living material. Man knows that living matter is composed of elements that are found in the physical universe. When these were combined and specially arranged, under natural circumstances, they exhibited the characteristics of living things, one of which is self-replication. While environment seems to draw out the characteristics latent within a genetic unit which, as you know, is a replicating molecule, the way in which such a molecule reproduces and constructs the organism has begun to be understood. The knowledge that a molecule exists that contains a translatable code challenges our desire to understand more about how this works, about what follows therefrom. And such knowledge provokes our desire to know how this might have come about. Knowledge of the workings of living systems then tell us about the abnormal that expresses itself as disease.

It is no longer adequate to think simply in terms of signs and symptoms, or to be satisfied merely with the name first conferred upon a disease. We must try to understand and to think of the molecular basis of each disease or disorder. Equally if not more importantly, we have become increasingly aware of the complexity of living systems and of the importance of relationship in living systems. Not only do our senses tell us of the fact of relationship in living systems but we see this in the process that proceeds from the coded information in a DNA molecule in which biological "knowledge," or "ideas" contained therein, is "expressed," for example, in the form of a protein molecule that possesses the properties of an enzyme. Such an enzyme is essential for the formation of other structures possessing different functions.

The biology of today—which is the science concerned with the nature of the structure-function relationship in living things—provides a field of activity not only for biologists so trained, but for mathematicians and physicists, who are interested in such questions. Moreover, the new biology also provides food for thought by poets, philosophers, and others concerned with humane questions.

This is humanist talk. But, it is also scientist talk. These are all of a piece. What a pity to keep them apart.

Have we in a rather roundabout way arrived at the realization that science needs to become part of the conscience of man and, that for the full development of conscience, science must be incorporated into man's substance, just as the chemical composition of man's blood, which is like that of seawater, reflects the composition of the environment in which he evolved. So it must be that as man continues to evolve he will incorporate more and more of the environment in which he develops and matures.

Biological systems are essentially evolving patterns in which environment may be said to evoke the potential contained within molecules of living material. The extent to which environment is incorporated into the substance of living systems is in the example of the similarity of blood and of seawater. This is further evidence of the extent to which the substance of living things represents a concatenation of potential and experience.

The evolutionary potential of the molecular mass of living matter is educed by its environment.

When one thinks in these terms it is clear that the molecules of living material had evolved even before the organisms of which they are composed. This evolutionary process has continued and is even evident in the phenomena that are of special interest to behavioral scientists and social scientists; phenomena that have long been of interest to poets, philosophers and other humanists.

The question is often asked, "Is psychology a biological science or a social science?" One might ask in reply—"Can one really distinguish psychology from biology and sociology other than to say that psychology and sociology are simply subjects within the biological sciences?"

Our increasing understanding of biology and our acceptance of the behavioral sciences and of the social sciences as respectable subjects for the concern of respectable scientists whether they be physicists or biologists will do more to advance the development of these branches of human knowledge than will, for example, increasing the availability of funds. Funds are essential, but they are needed to support ideas and not merely to constitute a form of pressure in the expectation that money itself will induce the spontaneous generation of ideas. Ideas, like living things, also evolve. The potential for new ideas exists and under proper environmental circumstances these are evoked. More often than not this is brought about when a fresh point of view is introduced—when the familiar is examined from an unfamiliar viewpoint.

We now understand, more deeply than ever, from the biology of today, the nature of the structure of living substance. We recognize the existence of relationship between structure and function in living systems as if each structure has a functional purpose, and it is clear that a function cannot exist without a structure. The replicating molecules, upon which life depends, in turn depend upon their environment to reveal and to develop their potential. This is what happens in the evolution of living things, including ideas.

The science of biology has brought into existence concepts that would not be known if only the physical universe was studied. Beyond the concepts deduced from observing primitive living matter, new concepts are required as the evolutionary scale is mounted and as higher central nervous system activity reaches the level of complexity and functional refinement seen in the mind of man.

This is the biology of today over a wide range from molecules to man. On the other side of this widening frontier is the reward of a perspective and a depth of understanding as to promise concepts for a system of thought, a system of values, a basis for judgments, and a view of man in the universe that could guide his ethical and moral life and bring him closer to realizing his hopes and aspirations and those of man the world over.

Is not all that man does somehow related to his life, either as an individual or as part of mankind? When science is pursued is it not primarily for the satisfaction of the individual who so devotes his life?

Does not the value or the harm of the results of scientific work depend largely upon the way in which scientific knowledge has been used or incorporated into the life of man? In this respect, do we not see a relationship between man's conscience and his science? I had not noticed before that the word conscience contains the prefix "con" meaning "with" attached to "science" meaning "knowledge." The Latin word from which conscience is derived means "joint knowledge."

The problems confronting man today are, by far, more complex than ever before. This will continue to be increasingly true of the human condition. Until the energy from the sun is dissipated, and can no longer sustain man, or those forms of life which will evolve and adapt to circumstances that will then prevail, man's physical survival is assured.

Man is aware that his major problems now are himself as he experiences the self within his own confines, and the selves of others with whom he finds himself in opposition. These contribute to the practical problems of existence. If man is to deal with these he must first understand the nature of the substance with which he is dealing. The knowledge man needs to allow him to understand the human condition must come from biology. It is inevitable that in the future,

if not now, it will be as necessary for man to know and understand the laws and patterns in living systems as for him to know the three R's.

The mere thought of an object that is concerned with itself in an objective manner appears physically impossible. It is obvious that when an object becomes introspective, it changes immediately by this very fact. This is the conundrum with which man is faced. And yet, man cannot escape the reality that this is his state.

The exploration of the atomic nucleus or of outer space is an effect of human nature. These are among the many vast unknowns that challenge the human mind and its need to explore. The navigators of days gone by are now those who explore heights, depths, space, the infinitely small and the magical wonder of the realm of living things.

It would seem prosaic to refer to the challenge that man's physical ills still pose when a greater challenge is that of revealing how man can become more compassionately human and less destructive and predatory in respect to other humans and even himself. The fulfillment of these hopes may reasonably be derived from deeper understanding of the science of biology.

Without knowledge of the workings of living systems can we possibly expect to attain the level of understanding that man needs if he is to solve those problems that arise from within himself, and between men, as he continues to evolve and changes the environment to which he must continually adapt?

What would happen if, in the course of time, and by one device or another, the unity that exists, rather than the diversity between disciplines, were to be emphasized and established? Are not distinctions between disciplines often based to a greater extent upon differences in methods and less on their relationship to the whole of human knowledge?

A fresh young mind, or a mind from another discipline which questions what has long been accepted leads to new light. Growth and unification of human knowledge has come about in this way, not in one vast leap, but through an evolutionary process over which man has been trying to exercise control. However, the mushroom cloud as a symbol has caused him to question his wisdom; the pollution of the atmosphere with radioactive substances, as he continues to play the ancient game of war, rather than some other more appropriate game for civilized man, causes him to question his maturity and his sense of responsibility especially since he is in possession of so much common knowledge, experience, and capacity for forethought.

The bridging of the physical and the biological universes may have been thought to be more difficult to conceive than that of thinking of human behavioral and social phenomena as part of the biological scheme of things. Beyond this thought, can we really distinguish and separate from the biological sphere man's humanistic and esthetic expressions, or even his hopes and aspirations?

Biology, as a science and as a point of view, in respect to the nature of man, has so evolved that it seemed desirable, and perhaps even essential, that a new institute be established and devoted to studies broadly related to the biology of the second half of the 20th century.

Toward this end, plans have been in development for several years for the establishment of an Institute for Biological Studies that will be concerned with questions from molecules to man. But, why, one might ask, should a new institute be created now? The answer, in part, might be that a quiet and bloodless revolution is taking place in the field of science as some of the best minds are being attracted to biology. Physicists, mathematicians, and other scientists as well as philosophers and other humanists are discovering the challenge and excitement of the new biology.

The institute will be comprised of a board of trustees and of a body of fellows. The fellows will constitute its faculty and its student body as well; to borrow a phrase, "all will be teachers and all will be students." The body of fellows will be comprised of resident fellows, nonresident fellows, and visiting fellows. The resident and nonresident fellows will constitute a self-governing, self-perpetuating body. The idea of the nonresident fellows in the academic structure of the institute is to help reduce the tendency toward inbreeding and to help maintain the level of quality desired. The nonresident fellows will participate equally in the nomination and election of new fellows selected from time to time. They will participate in the selection of the initial group.

The nonresident fellows will come to the institute for a period of time each year, and will actively participate in the selection of staff and will thereby influence the direction of the institute from its inception. Selections will be made further afield from the present immediate interests of the initial group, and this will be done in consultation with others whose judgments will be of value.

Visiting fellows will include students who are preparing to receive advanced degrees at other institutions as well as postdoctoral fellows and those who are further along in their careers or who are in the process of changing their careers to become interested in biological questions. In this way change and renewed vitality will be assured constantly.

The inception and development of these plans, and the evolution of these ideas have been made possible because of the interest of the National Foundation who pioneered in the development of means for the support of basic biological research. Beginning with an interest in the support of basic research in virology and immunology as this was related to the problem of poliomyelitis, the National Foundation broadened its field of activity to the support of basic biologic research generally in the belief that in this way solutions to specific problems would thereby be assured. The support of the National Foundation is merely another way of describing support of the people of this country who through the March of Dimes have contributed to support basic biological studies and to further studies leading to the solution of problems of importance to man. The decision on the part of the National Foundation to facilitate the creation and establishment of an institute such as has been described is an imaginative and fitting extension of the work of an organization that has pioneered in the past and is pioneering again.

The Institute for Biological Studies, for which the National Foundation is midwife, wetnurse, and godparent, will be an independent entity and will be the grateful recipient of continued support from the National Foundation and from other benefactors.

This partnership of scientist and layman to accomplish an uncommon purpose for the benefit of man, through the support of an academic enterprise, possesses a noble quality which is better sensed than described. My associates in this undertaking and I are grateful for the opportunity afforded to us in this way to be of further service to man through science and we welcome all who wish to join in an activity which possesses so much interest, excitement, and challenge.

Mr. HUMPHREY. Mr. President, I know of no other morning business at this time.

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

FOOD AND AGRICULTURE ACT OF 1962

Mr. HUMPHREY. Mr. President, I ask that the Chair lay before the Senate the unfinished business.

The ACTING PRESIDENT pro tempore. Without objection, the Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the Proxmire amendment.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Illinois will state it.

Mr. DIRKSEN. As I understand, from here on there will be 1 hour for each side in connection with each amendment which may be offered. Is that correct?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Unless some other arrangement is made, the time for the quorum call will be charged equally to each side.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time required for the quorum call not be charged to either side under the agreement.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered; and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further proceedings under the quorum call be suspended.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. HUMPHREY. Mr. President, I yield a couple of minutes on the bill for the purpose of a request.

The ACTING PRESIDENT pro tempore. How many minutes does the Senator yield?

Mr. HUMPHREY. Two minutes.

I ask unanimous consent that the Subcommittee on Constitutional Amendments of the Committee on the Judiciary be permitted to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUMPHREY. I understand that on yesterday we gave consent for the Permanent Subcommittee on Investigations of the Committee on Government Operations to meet.

APPROVAL OF REVISED CLASSIFICATION OF CERTAIN LAND OF SUN RIVER PROJECT, MONTANA

Mr. HUMPHREY. Mr. President, I ask the Chair to lay before the Senate an amendment of the House to Senate bill 2132. It is a technical amendment.

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 2132) to approve the revised June 1957 reclassification of land of the Fort Shaw division of the Sun River project, Montana, and to authorize the modification of the repayment contract with Fort Shaw Irrigation District, which was, on page 1, line 7, strike out "article" and insert "section".

The ACTING PRESIDENT pro tempore. The question is on concurring in the amendment.

The amendment was concurred in.

EXECUTIVE BUSINESS

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the Executive Calendar, starting with the item "Envoy."

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider executive business.

The ACTING PRESIDENT pro tempore. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

ENVOY

The Chief Clerk read the nomination of Mrs. Eugenie Anderson, of Minnesota, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Bulgaria.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF STATE

The Chief Clerk read the nomination of Lucius D. Battle, of Florida, to be an Assistant Secretary of State.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

AGENCY FOR INTERNATIONAL DEVELOPMENT

The Chief Clerk read the nomination of Seymour M. Peyser, of New York, to be Assistant Administrator for Development Financing, Agency for International Development.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. JAVITS subsequently said: Mr. President, earlier today the nomination of Mr. Seymour M. Peyser, of New York, to be Assistant Administrator for Development Financing, Agency for International Development, was confirmed by the Senate. I ask unanimous consent that my remarks may be printed in the RECORD in connection with the confirmation of that nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, Mr. Peyser is a member of a very distinguished New York law firm; the firm of Phillips, Nizer, Benjamin, Krimm, and Ballon, which I know very well. He has a fine position in New York as a distinguished lawyer and is very highly thought of.

Mr. Peyser's responsibility in the office of the Agency for International Development, under its distinguished Director, Fowler Hamilton, will be a very serious one involving, as I understand it, the whole responsibility for private enterprise relationships with this program, which I consider to be decisive in terms of the full success of the program. I believe it is important to note that this experienced New Yorker will be in charge in this respect, and I wish him well in his work. New York is proud he has been given this very important position.

U.S. ATTORNEY

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the nominations for U.S. attorney be considered en bloc.

The ACTING PRESIDENT pro tempport. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

U.S. MARSHAL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the nominations for U.S. marshal be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

U.S. ARMY

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the nominations in the U.S. Army be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. HUMPHREY. Mr. President, I ask that the President be immediately notified.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

The ACTING PRESIDENT pro tempore. Without objection, the Senate will return to legislative session.

The Senate resumed the consideration of legislative business.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. PROXMIRE. Mr. President, I ask unanimous consent to modify my amendment, and I send the modification to the desk.

The ACTING PRESIDENT pro tempore. The Senator has a right to modify his amendment. Unanimous consent is not required.

Mr. AIKEN. Mr. President, will the Senator tell us what the amendment does?

Mr. PROXMIRE. It provides that, instead of having the 1961–62 marketing year as the base year to establish normal marketing levels, we use the calendar year 1961 as the base year. This means there would be a little lower base.

Mr. AIKEN. I have no objection.

Mr. PROXMIRE. I send the modification to the desk and I ask unanimous consent that it not be necessary to have the modification read. I shall explain it. I ask unanimous consent to have the modification printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, the modification will be printed in the RECORD.

The modification is as follows:

In the amendment "5–21–62—J," offered by Mr. PROXMIRE, for himself and Mr. HUMPHREY, to the bill (S. 3225), on page 7, lines 15 and 16, strike the words and figures "marketing year 1961–1962" and insert in lieu thereof "calendar year 1961."

On page 7, line 24, strike the word "April" and insert in lieu thereof "January."

On page 9, line 13, strike the words and figures "marketing year 1961–1962" and insert in lieu thereof "calendar year 1961."

FEED GRAINS PROGRAM MAKES DAIRY AMENDMENT A MUST

Mr. PROXMIRE. Mr. President, what happened last night makes this basic amendment which I offer, which I am going to explain, an essential amendment. It is a "must" for dairying.

The Senate adopted last night, as the last order of business of the day, an amendment which would limit dairy farmers' production of feed grains in many cases 20 percent, and in all cases—whether they be small dairy farmers or large dairy farmers—so far as the production of corn and of silage is concerned, and so far as the production of sorghums is concerned, to the 1959–60 base. So the dairy farmers would be limited in their production of feed on their own farms. The Senate voted to limit or to reduce the amount of feed dairy farmers may produce by so doing, and so voted to increase dairy farmers' costs.

It could be argued, Mr. President, that we should limit the amount of milk

which dairy farmers should produce in America. I am in favor of that kind of a proposal. I think we should do everything we can to solve the problem of surpluses, but I think we should recognize the timing of what we have done with respect to the dairy farmers.

Less than 2 months ago the Secretary of Agriculture reduced price supports for *dairy farmers* by nearly 10 percent—by some 9 percent. It was a punishing cut. It was a cut of 9 percent in gross and probably 30 percent in net income for the farmers of my area.

So the dairy farmer is now in the position that the price of the milk which he sells has been reduced, and now the Congress has taken action which will have the effect either of limiting the amount of milk which he can produce, of cutting the amount back, or of increasing the cost of the milk operation if the farmer wishes to buy feed grains to replace the feed grains which he cannot produce.

Mr. President, I submit this will be a very unfair, a very unjust, a very difficult situation for the dairy farmers. I think at the very least we should give dairy farmers an opportunity to do what the other farmers of the country can now do. This includes the cotton farmers. It includes the feed grain farmers. It includes the tobacco and wheat and other farmers. We should permit the dairy farmers to vote in a referendum to limit their production.

The modification I have sent to the desk would provide that the base year for establishing normal marketing levels would be calendar year 1961.

If the dairy farmers should vote, by a two-thirds vote to limit their production to the 1961 calendar year base, then they would receive 90 percent price supports, or an increase in price of 63 cents a hundredweight. There is a great question as to whether they would do so, but at least they would have the opportunity. This would be an increase in prices which would put the dairy farmers in a position pretty much to maintain their net income from dairying.

In order to make the proposal effective and to reduce the cost of the program, my amendment also would provide payments up to $2.80 per hundredweight for farmers who reduced their production by at least 10 percent, up to 25 percent, or 30,000 pounds, whichever is greater. This would provide a substantial incentive for a farmer to cut back.

FARMERS WILLING TO CUT BACK

I can see no reason why many farmers would not take advantage of this proposal. We have talked to the farmers in our State. Many of those farmers find this proposal very attractive and would like to approve it.

In addition, Mr. President, the amendment would provide that quotas could be transferred, but only within the State or in the adjacent State. The Senator from Vermont very properly raised objection to a transfer outside of the area. We objected to that. It was rejected in the committee. I think that was a wise action by the committee. My amendment provides for transfers of quotas only in the State or in an immediately adjacent State.

This would give the farmers a real choice. It is unlike some of the proposals which have been offered in the past. If the dairy farmers chose to vote "no," then they would be exactly where they are at the present time. They would get the low income of 75 percent of parity, but at least they would be no worse off.

MILK PRICES TO FARMERS NOW VERY LOW

I think that is only fair, because the dairy farmer now is suffering from a very low price. He is suffering from a price which fell sharply just 7 weeks ago, on April 1. My proposal would offer dairy farmers a fair, clear choice. This may well be the last time the dairy farmers will be given this kind of choice.

The administration offered a proposal earlier to cut the price support for dairy farmers to 50 percent of parity if they voted "no" in the referendum. Other proposals would also cut the price support level sharply if one-third plus one of milk producers vote "no" in the required referendum.

My proposal rejects this kind of "brass knuckles" pressure on the farmer which would give him no legitimate choice.

The farmers in my State have pleaded over and over again, "If you want to offer controls, at least give us an opportunity so that if controls are not approved we will not be absolutely ruined."

This is the real merit of my proposal. It does not risk a devastating drop below 75 percent of parity. On the other hand, it will provide a real advantage to the farmers if they approve controls on production.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am delighted to yield.

Mr. DWORSHAK. Did the Senator from Wisconsin make the statement that the dairy price supports have been cut by the Congress?

Mr. PROXMIRE. The Senator from Wisconsin said that the price supports have been cut. The Senator from Wisconsin did not specify the amount.

Mr. DWORSHAK. I think the Senator said they were cut by the Congress.

Mr. PROXMIRE. They were cut by the Secretary of Agriculture.

I think I should explain that the price supports were cut by the Secretary of Agriculture after the Secretary of Agriculture pleaded with the Congress to pass a resolution which, in his judgment, would have modified the law so that he would not have had to reduce the dairy price supports. I worked hard for the resolution. I was unsuccessful in the committee by an unfortunately large margin.

Mr. President, there is no question that my proposal would make possible for the dairy farmers an increase in income. The increase would be in the neighborhood of about 10 percent for gross income. In view of what has happened to dairy farm income recently, I think this would be a modest and a moderate increase, which would make sense, well justified by the pitifully low incomes of dairy farmers in most parts of the country.

There may be some dispute, Mr. President, as to which I am sure the chairman of the committee will speak to enlighten the Senate, with respect to the cost to the taxpayer of my proposal. This is because any cost estimates depend on projections of production and consumption. On the basis of what I consider reasonable assumptions, I think my program will cost less than a continuation of the present law, which is the probable alternative. I think a fair analysis of the situation indicates that it should cost the taxpayers less if my proposal is adopted.

Mr. President, I ask unanimous consent to have printed in the RECORD a chart showing the results of continuing the present program. These results are the estimates of the Department of Agriculture, and I think are conservative. They show an estimate of almost no increase in production in 1963–64 over 1962–63 if we continue the present program. I ask unanimous consent to have the chart printed in the RECORD at this point.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Estimated results of continuing present dairy program at 75 percent of parity ($3.11), no production limitations

[In billions of pounds]

Marketings of milk:	
1962–63	120.5
1963–64	121.0
Commercial consumption:	
1962–63	109.5
1963–64	110.0
Surplus:	
1962–63	11.0
1963–64	11.0

Total cost to CCC of 11-billion-pound milk surplus

	Million
1962–63	$550
1963–64	550

COST OF PRESENT LAW WILL BE $550 MILLION

Mr. PROXMIRE. Mr. President, it is estimated it would cost, for 11 billion pounds of milk surplus in 1962–63 and 1963–64, each year, $550 million.

The Department analysis assumes that consumption, with price support at 75 percent of parity, would be 109.5 billion pounds in 1962–63. Their calculation with respect to the Proxmire program assumes consumption with price supports at 90 percent of parity of only 106 billion pounds, that is 3½ billion pounds less. This is an elasticity with reference to the demand for milk which I have never seen corroborated anywhere. We have seen all kinds of fluctuations in the prices the farmers have received during the past 12 years. We have accumulated a real history. There has been no indication that the consumption would drop so sharply if the farmer's income should increase this much.

The Department has made this estimate. I have to accept it. I have no quarrel with it in the last analysis, except that I wish to emphasize it includes an extreme assumption which is adverse to my amendment, which would make the cost of the program proposed by my amendment much more than I think it would be. But I accept that analysis. I still feel I can show that a saving would result.

I wish to emphasize that there is no precedent—no precedent at all—for arguing that there would be anything like as much as a 3½-billion pound reduction in consumption in the event that there were 90 percent price supports for dairy farmers.

I invite the attention of the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Louisiana [Mr. ELLENDER]. In the Department's cost estimate with reference to my proposal and that of the Senator from Minnesota [Mr. HUMPHREY], a cosponsor of the amendment with me, it is estimated that if dairy price supports are 90 percent of parity there will be a drop in consumption of three and a half billion pounds of milk. In all fairness, I appeal to the Senator from Louisiana to recognize that we have seen the history for years of fluctuations in price supports and the prices the farmers have received. I submit there is no historical basis for assuming there would be any such drop in consumption if the dairy farmer should receive 90 percent price supports instead of 75 percent price supports.

As the Senator knows far better than I do, most of the cost of milk is in the processing and the selling or retailing. The modest increase of about a cent to a cent and a quarter a quart would not, on the basis of any experience we have had, result in anything like the reduction in consumption, which has been claimed. But I am accepting that figure. I am not disputing the Department, for purposes of our analysis. I merely wanted to drive home that those are assumptions which are adverse to my proposal and which would make my proposal appear more costly than I believe it would be.

I am willing to accept those assumptions. Still I think I can show that there would be a saving to the Government if my amendment were agreed to, and farmers voted for marketing quotas.

PROXMIRE AMENDMENT WILL REDUCE COSTS

The principle of my amendment is that by holding production to the 1961 level and preventing the enormous increase in production now going on, we shall save Federal money even at 90 percent price supports. I make that statement because in the first 3 months of this year we had approximately a 1-billion-pound increase in production—a billion pounds—and on the basis of experience, we can see that that trend will continue. There are many reasons why it will continue. Partly it is a quota race, an allotment race, because dairy farmers feel they want to build up their bases. It is a "base race." And there are reasons, too, why it is probable that production will continue to rise sharply unless we get some kind of program in operation.

INCENTIVE TO CUT OUTPUT OFFERED

My plan offers an incentive for farmers to cut back production. It would save the Government $2 per hundredweight for the cutback. In other words, if the farmer reduced his production by 10,000 pounds, he would then receive $2.80 maximum for each 100 pounds he cut back, or $280. If the Government had to buy that milk which would otherwise be produced, it would cost the Government, including storage costs and interest costs, about $4.80, with the kind of assumptions that I have made. Therefore, the Government would save $2 when the farmer is persuaded to cut back his production. That is the basic provision in my amendment, which should encourage the farmer to cut back and also provide for a saving on the part of the Government.

If there is only a 3-percent cutback—and I think that is a modest possibility—if there is only a 3-percent reduction in production, my proposal will result in a saving to the taxpayers. Of course, if there is a greater cutback, a 4-percent cutback, there would be a very substantial saving of millions of dollars to the Federal Government. That is according to the Department of Agriculture estimates and the very adverse assumptions I have stated in the matter of consumption.

If there is a 4- or 5-percent cutback in the first year, there would be a far more substantial saving. And the savings in the second year would be greater, as consumption begins to catch up.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD a table that was prepared for me by the Department of Agriculture, estimating the results of my amendment.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Estimated dairy program costs, present law and emergency program at varying rates of price support, reduction payments, and voluntary participation

Cost of present program (1962–63):	*Million*
At 75 percent of parity ($3.11) (estimate)	$550

Estimated cost of emergency program with support at 90 percent of parity ($3.74 per hundredweight) for 1962–63 marketing year

	Billion pounds
Marketings at 1961 level	117
Estimated commercial market	106
CCC purchases (M.E.)	11

Product purchases:	*Million*
Butter (423 million pounds)	$276
Cheese (200 million pounds)	88
Nonfat (1,238 million pounds)	255
Total	619
CCC cost with marketings at 1961 level	619
CCC cost with 20 percent of producers reducing their marketings 7½ percent from their 1961 level (1.7 billion pounds):	
CCC purchases	537
Payments	42
Total	579
CCC cost with 30 percent of producers agreeing to reduce 10 percent from their 1961 level of marketings (3.5 billion pounds):	
CCC purchases	455
Payments	87
Total	542

Mr. PROXMIRE. Mr. President, the estimate for payments perhaps should be increased by about $9 million, if a 3-percent reduction is achieved, to take account of a possible higher rate of surplus reduction payments. The estimated total cost to the Government if milk marketings are reduced 3 percent under my plan would be almost precisely the $550 million that is projected for contribution of the present law with price supports at the low level of 75 percent of parity.

If a 4- or 5-percent reduction in marketings is achieved by my plan—which is a reasonable possibility—the cost to the Government in the first year alone would be substantially less than the costs that will be incurred anyhow under the present program.

The savings in the second year of my plan would obviously be greater, as commercial consumption begins to catch up with a stable level of milk marketings.

The material I have had printed in the RECORD shows that by holding output to the 1961 level, my amendment can halt the increase in Government costs.

Mr. President, before I temporarily yield the floor, I would like to say that this is a gradual approach. My amendment would give the farmer a choice—a fair choice. It is a temporary, 2-year program, that offers farmers a real opportunity. The fact is that we have never had a dairy referendum before. It is important to offer a fair, clear choice in the historic first dairy referendum.

Mr. President, I yield 2 minutes to the Senator from Vermont [Mr. AIKEN]. I understand that he will oppose my amendment, which I understand, but at the same time I am happy to yield to him on my time.

Mr. AIKEN. Mr. President, I certainly appreciate the offer of the Senator from Wisconsin. However, I had spoken to the Senator from Louisiana and asked him for some time.

Mr. ELLENDER. Mr. President, I will add 3 minutes to the time available to the Senator from Vermont.

Mr. AIKEN. Mr. President, in order not to hurt anyone's feelings, I yield myself 5 minutes on the bill. I shall not take any time on the amendment.

The ACTING PRESIDENT pro tempore. The Senator from Vermont is recognized for 5 minutes on the bill.

Mr. AIKEN. Mr. President, first, I wish to give testimony to the work which the Senator from Wisconsin has been undertaking to do for the farmers of his State. I know there are some farmers in Wisconsin, if not all of them, who probably would be benefited by the amendment. But at all times he shows excellent knowledge of the farm conditions in the State of Wisconsin and the needs of the State of Wisconsin. He has stood up for what he thought he ought to do, under what sometimes has been insurmountable pressure. He is entitled to all credit.

Unfortunately I cannot approve the amendment of the Senator from Wisconsin, possibly because the situation

in my own area is different from what it is in his section. The amendment which the Senator has offered I believe would turn the clock backward as far as dairying is concerned. It would be particularly hard on the young people who are going into the dairying industry. In Vermont—and I am sure in other States—many 4–H youngsters have acquired a few cows or a few heifers, and intend to go into dairying on a larger scale as soon as they are through school. The amendment would put a check on their hopes, if not a stop to them, particularly those who intend to engage in dairying on an increasing scale over the next few years.

Let me give the Senate an example. Suppose that a 4–H youngster has two heifers, and the heifers have had their first calves. Perhaps those heifers produce the first year 6,000 pounds of milk apiece. Perhaps I had better assume that the youngster has three heifers so that we can get the production up to 18,000 pounds and have him come under the provisions of the amendment. Each heifer gives 6,000 pounds of milk. The next year the cow will have a second calf and give 9,000 pounds of milk instead of 6,000 pounds. Under the amendment such a youngster would be prohibited from selling the additional output from those three 4–H cows without paying a large penalty to the Government for that purpose.

Therefore, my first objection to the amendment is that there would be a handicap put upon the young person who is seeking to go into dairying and whose cows are having calves for the second and third time and are producing a great deal more milk.

Then, by putting a penalty on any increased output whatever from a herd for the next 2 years, we would be reversing the trend toward greater efficiency in the field of dairying. There would be no incentive to have better cows, or more efficient producing units than there has been up to this time, if it were necessary to pay $2.80 a hundred for every extra hundred pounds of milk that might be produced.

Next, my objection is that it provides that anyone who goes into dairying and who does not have any quota or any base for dairying, must go into the market to buy his allotment. If that became the practice, the time might come when anyone who wanted to go into dairying might have to pay as high as a thousand dollars a cow, merely for the right of owning that cow and marketing her production, in addition to the other penalties that he would be under if the proposed amendment is adopted.

The amendment further provides that a dairyman having a base may sell that base. Many dairymen would want to do so. A dairyman could sell the base to anyone in his State or in an adjoining State. It means that a dairyman in Vermont could sell his base, the right to produce milk, to a man in New Hampshire or in Massachusetts or in New York. That means also that a dairyman in New York could sell his base to a dairyman in New York or Pennsylvania, and a dairyman in Pennsylvania could sell it to a man in Ohio, and from Ohio it could be sold to a man in Michigan, and from Michigan to Illinois, and so on, until the base could wind up out in Arizona. I can very well see a disastrous situation growing up from such a practice. It would amount to setting up a sort of agency for the transfer of bases from one State to another. It could grow into a situation which would make the transfer of cotton leases in Texas and other States seem like a rather small and insignificant business indeed.

The amendment also gives the Secretary the right to cancel or purchase bases in the event he thinks it is more economical to do that than it is to continue to keep these producers in the program. I see nothing in the amendment at all which would prevent the Secretary from canceling bases. Let us use the example of Vermont again. I hope he would not pick on Vermont, but he might. He could cancel bases in Vermont. What would he do with them?

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. AIKEN. I yield myself 2 more minutes.

So far as I can see, he could transfer those bases to any State in the Union in which he thought they would be put to better use than in my own State.

Therefore, I believe the disadvantages of the proposed amendment are terrific. It would stop young people from going into the dairy business unless they could pay $1,000 for the right to own a cow. They would have to pay a penalty if they took better care of their cows. Finally, it would give the Secretary the right to cancel bases in any part of the country where it suited his fancy to do so.

Mr. PROXMIRE. Mr. President, I thank the Senator from Vermont for his kind remarks. I should like to reply very briefly to them. The argument dealing with young people, that they could not increase the size of their operations, concerns me very deeply indeed. I was in my home State of Wisconsin during the Lincoln Day recess, and I made 80 speeches, 8 speeches a day, in farm areas, to farmers. There was deep concern about this, Mr. President. The Senator from Vermont is absolutely correct about it.

I do want to say, however, that the amendment would not prevent a young man from going into business. If he buys a farm, he buys a quota. It is possible to transfer a quota. When he buys a farm he has to buy all sorts of equipment, and he must buy a quota.

The fact remains that we must recognize the situation that exists, namely, that the dairy farmer is in trouble. He is in real, deep trouble. I put statistics into the RECORD to show that dairy farmers in Wisconsin, Ohio, Michigan, and in all parts of the country have incomes that are shamefully low, and that they have no opportunity to increase them.

The fact is that it would take a two-thirds vote in the producer referendum to put the amendment into effect. It would be in effect for a year and if it did not work the dairymen could vote it out. It seems to me that if two-thirds of the farmers want to have this kind of limitation on their production—not a cutback, but a limitation—with the flexibility that they would be given, with the ability to buy and sell quotas, it is the fair thing to do. There is no question about the fact that the income of the dairy farmer is low. I am sure the Senator from Vermont will join me in agreeing that a real blow was struck yesterday when the feed grain amendment was adopted. That makes it very difficult for the farmer to increase his income.

Mr. AIKEN. The Senator from Wisconsin is absolutely correct. That was one of the heaviest blows that has ever been struck at the dairy farmer in my recollection. It can virtually put many of them out of business. It is bound to result not only in a severe blow at the dairy farmer, but also an increase in the cost to the consumer. It will also mean a heavier burden placed on the taxpayer.

Mr. PROXMIRE. I agree wholeheartedly. I joined the Senator in opposing that amendment.

Mr. AIKEN. If I had to choose between the amendment of the Senator from Wisconsin and the feed grain amendment which was adopted yesterday, I would by all means choose the amendment of the Senator from Wisconsin. However, I do not approve of his amendment, either.

Mr. PROXMIRE. I thank the Senator from Vermont for his comment. I should like to emphasize again my point that the adoption of the feed grain amendment yesterday affects the dairy farmer very adversely; and makes it more important than ever that we give him an opportunity to vote a limitation on his production, so that he can get a fair income.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. CASE of South Dakota. I agree with what the Senator from Wisconsin and the Senator from Vermont have said with respect to the effect of the so-called feed grain amendment that was adopted yesterday. Not merely the dairy farmers, but also the beef and livestock producers will find their operations limited and unpredictable if that becomes the law. When we try to do anything which deals with live animals, we are dealing with uncontrollables and imponderables.

It reminds me of the man who was not a farmer who bought a cow. It is a story that Representative HOFFMAN used to tell us in the House. This man wanted to be kind to the cow; therefore he said he would not milk it except when he needed some milk. So he fed the cow regularly. He would go out and milk it only when he needed a quart of milk or a cup of milk. Anyone knows that very shortly such a cow will commence to dry up and go out of production. Eventually this cow did dry up.

That may be a humorous illustration, but it does show the problem of trying to apply a limitation when we are dealing with live animals and their habits of production.

What bothers me about the amendment of the Senator from Wisconsin is that it would put dairying practically in the franchise class. The problem of

the young farmer who is struggling against the high costs of improving his dairy and qualifying for grade A milk would be serious.

Moreover, in my State, recently, a number of milk-drying plants have been established, several of them in small communities and one in a large community. For example, one was built at Mitchell, where 400 persons will be employed and where there will be enough trackage under cover for seven cars for the loading of packaged powdered or dried milk. I know that many farmers have counted upon that diversification and upon going from their surplus crop production into more dairying in order to supply the raw material for the dried or powdered milk factories.

What would be the effect of the Senator's amendment upon communities which have small milk-drying plants, or even larger ones, such as I have mentioned?

Mr. PROXMIRE. The effect upon those communities would be that farmers would, of course, be free to go into dairying, but they would have to buy a quota, just as they would have to buy dairy cows, land, equipment, dairy machinery, dairy tanks, and so forth.

I recognize that this is a problem for the community and has adverse implications. However, the Senator from South Dakota has put his finger on a great difficulty in dairying, because farmers are limited by other programs which Congress has enacted—and I have opposed them, as the Senator knows. But what will happen if some limit is not provided will be that the dairyman will suffer from too many farmers getting into the business, because that will result in unlimited production. It will be an impossible situation.

Mr. CASE of South Dakota. My understanding of the reason for the development of milk-drying plants is that the traditional market outlet for whole milk and butter fat has changed. However, there is an increasing market for powdered milk or dried milk, which is more storable, which does not have to be refrigerated all the time, and which can be shipped greater distances and can be exported abroad. This development has been the response to a search for new markets.

I think half a dozen small plants of this kind have been started in South Dakota in the past 2 years, besides the large one I mentioned.

Mr. PROXMIRE. I really think there would not be any significant adverse effect. That would be a natural development in South Dakota and Wisconsin, where there is large dairy production, where the farms are far away from the fluid milk markets, and where the production is very largely for manufacturing purposes. It seems to me that in those areas the adverse effect would be extremely limited.

Mr. CASE of South Dakota. If we are to take the historic production and tie it to this proposal, there will be no opportunity for development, for the switching of farms from surplus grain crops into dairying to meet the new market.

Mr. PROXMIRE. The farmers can switch, because I provide, on page 8, line 19 and following:

> A producer may, to such extent and subject to such terms and conditions as the Secretary may prescribe, transfer his normal marketing level, or any part thereof, to any other producer or prospective new producer.

This means that farmers in South Dakota, a State which borders on Minnesota, would be able to buy quotas from Minnesota farmers or from North Dakota farmers or from farmers in other neighboring States, as well as from farmers within the State of South Dakota.

Mr. CASE of South Dakota. The Senator's proposal certainly makes clear then, that dairy farming would become a franchised proposition.

Mr. PROXMIRE. That is true. But it would be necessary to obtain a two-thirds vote. This would be limited legislation; new legislation would be required after 1963. The proposed legislation would give Congress an opportunity to see if this kind of situation worked satisfactorily and would give the farmers an opportunity to vote.

Mr. CASE of South Dakota. I want the Senator from Wisconsin to explain his proposition fully, but I must say, in view of the particular problem I see for communities where milk-drying plants have been established, that I shall be obliged to vote against his amendment.

I have one further question to ask. I am curious about this situation. On page 6, the Senator's amendment provides:

> Such payments (1) shall not exceed $2.80 per hundredweight of milk, basis 3.82 per centum butterfat content.

When we had payments for supporting milk production during the war, they were based, as I recall, upon a butterfat content of 3.5 percent and the premium was for anything above 3.5 percent.

Mr. PROXMIRE. I believe the Senator is correct; 3.5 percent is the familiar figure in my State. Farmers buy and sell on those terms. But 3.82 butterfat is now the national average test milk. That is the reason why this figure has been adopted; and all legislation in recent years, as I understand, has been based upon the concept of the national average test.

Mr. CASE of South Dakota. I hesitate to mention the name of any particular breed of cattle; but I have traveled around the country, and once upon a time I myself operated a grade A dairy farm for a while. I found that if I had too many of a certain breed, I needed to acquire a few more cattle of another breed in order to hold up the 3.5 percent. I think we tried to average 3.7 percent; and when we averaged 3.7 percent, we were doing pretty well. I wondered if 3.82 percent would be regarded as discriminatory against a certain very popular breed of cattle in the dairy field.

Mr. PROXMIRE. No, because everything is modified in proportion. Farmers in Wisconsin generally think in terms of 3.5 milk, for which the price support at 75 percent of parity is $2.85 per hundredweight. It is $3.11 for 3.82 test milk. But this will not affect farmers in any discriminatory way.

Mr. CASE of South Dakota. It might affect price in a discriminatory way. I have a brother-in-law who with his sons operates a dairy farm of considerable size in the State of the coauthor of the amendment, the distinguished Senator from Minnesota [Mr. HUMPHREY]. I think the four of them, in a family partnership, milk from 80 to 100 cows the year round. But with the particular breed which they have, I doubt whether they will average 3.82 percent butterfat. Yet it will be found that the average in some of the breeds will produce a higher butterfat content.

Mr. PROXMIRE. The Senator is correct. That is true in Wisconsin, too.

Mr. President, I reserve the remainder of my time.

Mr. MORTON. Mr. President, may I have some time yielded to me?

Mr. AIKEN. How much time does the Senator require? On the Proxmire amendment, I am not in charge of the time; the Senator from Louisiana is.

Mr. HUMPHREY. Mr. President, does the Senator from Kentucky desire to speak on the Proxmire amendment? If so, I will yield him time on the bill. I yield 2 minutes on the bill.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 2 minutes on the bill.

EFFECTS OF H.R. 10650 ON THE ALLIANCE FOR PROGRESS

Mr. MORTON. Mr. President, the U.S. Government has assigned the highest possible priority to assisting social progress and economic development in Latin America. We have done so because of a growing recognition that poverty and social injustice threaten the safety of the hemisphere and therefore the national security of the United States itself.

Our program for Latin America is known as the Alliance for Progress. In his address to Latin American diplomats at the White House on March 13, 1961, President Kennedy described the Alliance as "a vast new 10-year plan for the Americas—a plan to transform the 1960's into an historic decade of democratic progress."

Beginning with the passage 2 years ago of the American Republics Cooperation Act by the 86th Congress, two administrations and two Congresses have given their enthusiastic support to this effort. The principles of the Alliance are embodied in two international agreements—the Act of Bogotá of September 1960, and the charter of Punta del Este of August 1961.

In essence, the Alliance commits the United States and the 19 republics of Latin America, excepting Cuba, to a cooperative mobilization of resources for the task of economic and social development. It has been estimated that $100 billion in development capital will be required during the decade to bring Latin America to the stage of self-sustaining growth. Of this total, four-fifths or $80 billion is to be supplied by the Latin Americans themselves from public and private sources. One-fifth or $20 billion will be needed from outside sources.

Treasury Secretary Dillon has projected that the outside component of $2 billion a year would include approximately $1.1 billion annually in U.S. public funds, $300 million annually in foreign public and private investment, $300 million annually from international lending institutions, and $300 million annually in U.S. private investment.

I. IMPORTANCE OF PRIVATE INVESTMENT

From the outset, it has been recognized by all concerned that private investment has a basic role to play in the Alliance—indeed that the Alliance cannot succeed without substantial private participation and support. President Kennedy, in a message to Congress on March 14, 1961, pointed out that:

> Private enterprise's most important role will be to assist in the development of healthy and responsible private enterprise within the Latin American nations. * * * And, of course, the continued inflow of private capital will continue to serve as an important stimulus to development.

Fowler Hamilton, Administrator of the Agency for International Development, told the Senate Foreign Relations Committee on April 10 of this year:

> Private enterprise participation is absolutely essential because of the funds that are being talked about, of the $20 billion for the decade that Secretary Dillon talked about, a substantial or major part would come from the United States and the remainder from other external sources, public and private. But if one thinks of $2 billion a year, one also thinks of $8 billion a year coming from other sources, because the amounts contemplated per year are in the order of $10 billion, and the $8 billion has to come either from the foreign governments themselves or from private savings in the foreign countries, or from reinvestment. So that we are trying in every way we can to induce and persuade private capital to go in and to stay in.

The President himself on May 9 observed:

> It is impossible for us, of course, to supply the funds which are necessary for the development of Latin America. They must come through private sources. If local capital and American capital dry up, then all our hopes of a decade of development in Latin America will be gone.

Private investment capital, in other words, is required to supplement public outlays, which cannot alone be sufficient to do the job of development. Equally important is the fact that private investment carries along with it technical know-how and management skills which, under the social system favored in the Western World, are solely available through the private sector of the economy.

Public investment can supply the fundamentals of economic development like roads and bridges and schools. Public investment is also capable of performing basic tasks of social improvement. But private investment is needed to keep the growth process going and to provide revenues to finance improvement. As a leading AID agency official said recently: "The key to the success of the Alliance may well be private enterprise. Perhaps only the resources and skills of American style private enterprise can bring about the lasting economic growth and development of an underdeveloped country. In the final analysis, it no doubt will be the numberless large and small privately owned businesses and services in each country that will bring about true long-range growth."

Without private investment, even the social development aspects of the program cannot go forward securely, for as Alliance for Progress Coordinator Teodoro Moscoso has pointed out:

> The big job in Latin America will be advanced economic development and social justice in tandem. Without economic development, social justice can only mean sharing poverty. The two must be closely allied and interdependent.

In recognition of the vital part private enterprise must occupy, the Charter of Punta del Este asserts that one of the fundamental goals of the Alliance for Progress is "to increase the productivity of the economy as a whole, taking full advantage of the talents and energies of both the private and public sectors." And the U.S. Congress in creating the Agency for International Development declared it to be the policy of the United States "to encourage the contributions of U.S. enterprise toward economic strength of less-developed friendly countries, through private trade and investments abroad."

To achieve this objective, the administration asked for and Congress approved a strengthened system of investment guarantees against risks encountered in less-developed countries and a special program for sharing the cost of investment surveys and feasibility studies. In explaining these programs to Congress, administration spokesmen asserted:

> The volume of capital resources potentially available through U.S. private foreign investment is of course enormous—far larger, in all probability, than can ever be made available in the form of publicly provided assistance. Embodied in a private investment is a transplanting of managerial, professional and technological skills which are of great significance to the process of economic growth. Since a private investment abroad is usually a permanent undertaking, private enterprise is able to transfer these skills in an orderly fashion and in proper sequence without the annual decisions and changes in policy that sometimes characterize a Government aid program. In order to enlist U.S. private enterprise in the development assistance task, the Government must have a selection of instruments available for use in a variety of cases, ranging from those where the obstacles to private foreign investment are slight to those where substantial Government inducements are required.

I believe these official statements which I have quoted establish quite clearly the very central role in the operation of the Alliance for Progress which has been assigned to U.S. private investment in the thinking of the administration, of the U.S. Congress, and of the Latin Americans themselves.

Over the years, U.S. investors have contributed heavily to Latin America's economic development. As of 1961, U.S. investments in the area were valued at $9 billion and accounted for more than one-third of the area's total manufacturing and mining activity as well as for a third of Latin America's vital export earnings. U.S. investments account for one-fifth of all taxes paid in Latin America. U.S. companies employ 1 million people in Latin America and contribute about $7 billion annually to the area's economy in payments for wages, taxes, and the purchase of local materials and services.

Because of certain unfortunate political and economic developments in Latin America, however, the curve of U.S. private investment in Latin America has fallen off seriously just at the critical moment when the Alliance for Progress is getting underway. From an alltime high of more than a billion dollars in 1957, the flow of direct investment declined to $95 million in 1960. While it rose again to $203 million in 1961, this is substantially less than the $300 million a year figure which Secretary Dillon said would be necessary if the Alliance for Progress is to maintain the projected pace of outside contributions to the area's economic development.

Even more serious, it has been estimated that some $10 billion in private capital has fled Latin America during the past decade because of uncertainties in investment climate. The investment mobilizing devices in the Act for International Development have not been sufficient to turn the tide.

In recognition of this situation, the Department of Commerce recently set up a special Commerce Committee for the Alliance for Progress, known as COMAP, to undertake the job of generating increased private enterprise support for the program. This committee, under the chairmanship of industrialist J. Peter Grace, includes representatives from a score of premier U.S. business firms with interests in Latin America. The Agency for International Development has established an Office of Development Finance and Private Enterprise under Seymour M. Peyser, vice president of the United Artists Corp., with special responsibilities for private sector activities, and the Alliance for Progress has obtained the services of Donald Wright, the former president of General Electric's Brazilian subsidiary as a deputy assistant administrator for capital development.

II. ADVERSE EFFECTS OF H.R. 10650

At the very moment when the Government is working urgently to convince American investors to take part in the economic development of Latin America for the benefit of widely accepted U.S. foreign policy, Congress is being asked to make changes in the U.S. tax law which would decrease capital flows to Latin America and thus contradict the objectives and diminish the prospects of the Alliance for Progress. These serious dangers are posed by certain sections of the pending tax revision bill, H.R. 10650.

Deep concern over the effects of this bill already has been expressed by financial authorities in Latin America. For example, Mr. Gilberto Arias, the Minister of Finance of Panama, a member of the Board of Governors of the Inter-American Development Bank, recently told the fourth plenary meeting of the governors in Buenos Aires that the tax bill would impose "restrictive and punitive effects upon large sectors of private investment in Latin America and would, if approved, directly hamper the

fundamental aims of the Alliance for Progress."

Let me illustrate just how the bill would produce these unwanted and adverse effects in three particulars: First, by affecting reinvestment; second, by impeding transfer of technology and know-how; and third, by stifling investment of capital through gross-up.

American business increasingly has developed a practice of relying on earnings in the thriving developed countries of the world as a source of funds for reinvestment in Latin America and other undeveloped areas. Successful experience in the developed areas encourages a company to expand its international operations and to risk investment in less developed nations. The earnings generated in developed areas provide capital which would not be available from the United States itself.

Under our longstanding tax policy, the earnings of foreign subsidiaries are not taxed by the United States as dividends by the U.S. shareholder, of course, until these earnings are received in the United States. Thus, an international subsidiary may apply after foreign tax earnings generated by activities in Europe or elsewhere to investments in Latin America without paying the U.S. corporate tax. The only purpose of the reinvestment of these funds in Latin America, however, is eventually to return greater earnings to the United States. And so the appropriate U.S. tax will be paid as the funds are eventually received in the United States.

Although this longstanding tax policy has proved to be of substantial benefit to the development of Latin America and other needy areas, the administration proposes a reversal of this policy and has asked Congress to tax the income of foreign subsidiaries in developed areas even though this income has not yet been distributed to the U.S. shareholders and is needed for reinvestment abroad. Since no other major country imposes such a penalty on the foreign operations of its own business enterprises, the net effect of this proposed drastic change in U.S. policy clearly would be to place American business abroad at a severe disadvantage with foreign competitors. The administration concedes, in fact, that the purpose and result of this proposal would be to retard business investment in Europe and Canada and other developed areas. This proposal should be rejected for many reasons, and one of the important reasons is that it undoubtedly would serve to dry up a major source of funds for investment in Latin America and the Alliance for Progress.

I am pleased that the Ways and Means Committee, and the House, recognized these dangers and rejected this original proposal of a most extreme handicap to foreign investment. The tax bill as passed by the House, however, included a number of provisions, notably in section 13, which would tax certain types of undistributed income of foreign subsidiaries. Thus the difference between the original administration proposal and the House bill as it stands now is only one of degree. There can be no doubt that the bill as it stands still would impose serious handicaps to foreign investment.

I am pleased, further, that the administration evidently has recognized at least some of the inequities in the House bill. In his second appearance before the Senate Finance Committee, on May 10, the Secretary of the Treasury suggested a long list of modifications in the pending bill which would correct some of the glaring defects. While these defects certainly should be corrected, the Congress should not be lulled into a supposition that these modifications would solve the basic problem. The essential principle remains: the bill still would retard sound business investment in developed areas, and this in turn would reduce a source of substantial funds for reinvestment in South America.

The significance of this effect is illustrated by data supplied by the Department of Commerce on page 429 of the hearings on the tax bill by the House Ways and Means Committee. The Department of Commerce reported that the total outflow from the United States for direct investment in manufacturing affiliates in Latin America amounted to $63 million in 1959. The reported flow of capital in 1960 from various international subsidiaries to the underdeveloped countries was $56 million. The Department concluded, therefore, that transfers of funds from developed to less-developed countries "appear to account for a sizeable part of the overall investment by U.S. companies in manufacturing in the less-developed countries."

These general data are supported by the specific experience of many American firms who have testified before congressional committees. For example, Machinery and Allied Products Institute testified:

> It should be emphasized that earnings brought back to this country will normally not be transferred to underdeveloped areas. We have been informed by some companies that top management is extremely reluctant to approve new investment of capital in countries of South America, Asia, or Africa from earnings generated within the United States because of the relatively high risk accruing to such investments. They are considerably less reluctant to approve such investments from funds generated by oversea subsidiaries because they feel that the greater risks of such investment are offset to a significant degree by the lower tax liability accruing to such earnings. Withdrawal of tax deferral would tend to dry up this major source of venture capital for the underdeveloped areas.

Mr. President, although H.R. 10650 ostensibly permits reinvestment of certain foreign subsidiary income from developed countries into underdeveloped countries without immediate payment of the U.S. tax, it is important to understand that these provisions will have little beneficial effect since the overall result of the bill would be to reduce the total of foreign investment and earnings which are the source of funds for underdeveloped areas. What do we accomplish if we purport to permit certain transfers to underdeveloped countries with one hand while with the other hand we diminish the funds available for such transfers?

The remarkable inconsistencies of the administration on this point were clearly illustrated in the second round testimony of the Secretary of the Treasury on May 10. On the one hand, the Secretary seemed to recognize that as the bill stands now, the provisions permitting reinvestments in underdeveloped countries in certain circumstances are so circumscribed with limitations, obstacles, and technical requirements as to defeat the intent of the bill in this respect. And so the Secretary proposed several modifications which would remove some of these useless and severe restrictions on transfers to underdeveloped countries. At the same time, however, the Secretary proposed another amendment to H.R. 10650 which moves precisely in the opposite direction. Secretary Dillon's proposed amendment would virtually eliminate one of the principal means of transferring earnings from developed countries into investments in underdeveloped areas. Such transfers are often made through the mechanism of an international company which engages in bona fide operations and, in addition, supervises all or a large part of the international operations of American business firms. And yet the amendment proposed by the Treasury would specifically penalize the transfer of earnings from developed countries for investment in underdeveloped countries, thus effectively eliminating this major source of funds for economic development of Latin America. Certainly those who are interested in economic and social progress in Latin America should oppose this amendment.

Another basic, conceptual flaw in the bill is that it attempts an impractical and unrealistic compartmentalization of international investment and trade. The tax penalties proposed on foreign investment would apply to subsidiaries in developed countries, and for the most part they ostensibly would not apply directly to operating subsidiaries in underdeveloped nations. The bill thus attempts to divide the world into two parts, with different rules applying to the different parts. The economic facts of life, however, are that international trade and investment is often so integrated and interrelated that it cannot be so segregated and compartmentalized.

An important portion of investment in South America, for example, is in the discovery, development, and production of raw materials such as metals, petroleum, and chemicals. These investments provide income for the governments and peoples of Latin America which contribute very significantly to economic development generally and to needed social improvements. The market for these materials, however, lies largely in the developed areas of the world. The maintenance and expansion of these markets require investment in processing, distribution, and sales facilities in the developed areas. Since the tax bill admittedly would discourage investment in developed areas, this would hinder development of markets for the products of Latin America and retard the all-important development of export income.

The truth is that many investments in Central and South America would be prevented or reduced without a corollary investment in Europe as part of a single, integrated business operation.

Another provision of the bill grants power to the Treasury to collect from the parent company in the United States a tax based on the Treasury's imputation *of a constructive* royalty for the subsidiary's use of patents, processes, copyrights, and so forth. Where a royalty is actually received, it is already covered by the tax laws. The new bill would, therefore, place a tax on income which the U.S. company does not expect to receive and which the host country has not acknowledged any responsibility for transferring. It is in the underdeveloped countries, particularly, that the role of technology and knowhow is an important element in the resources contributed by the parent company. The development of Latin America hinges to a large extent upon the rapid assimilation of new technology. Yet, the tax bill singles out this unique capacity of the U.S. private sector, available for contributions to the Alliance for Progress objectives, as a base for discriminatory taxation.

Another provision of the tax bill which would have a particularly adverse impact upon investment in Latin America is the so-called gross-up section. Under this provision, when American parent companies receive dividends from foreign subsidiaries, they would be forced to include in their income the taxes already paid to foreign governments as well as the dividend actually received. If the foreign income tax rate is similar to the 52-percent corporate rate in this country, gross-up would impose little additional tax because of the effect of the foreign tax credit. However, in the less developed countries such as in Latin America, tax rates tend to be lower. Thus the gross-up provision would cause a far greater increase in the overall tax burden on investments in these countries than in the more advanced areas. Yet business risks generally are greater in the less developed countries. If gross-up were to be applied to dividends from a South American country imposing, for example, a 35-percent income tax of its own, the result would be to reduce the net returns to the U.S. company by $6 for every $65 in dividends received.

The consequences of this provision would be accentuated in Latin American countries which have adopted special tax incentives to encourage much needed U.S. investment. In such situations, under the gross-up proposal, the United States would simply cancel the incentive adopted and desired by the South American country to attract capital and promote its own economic development.

The junior Senator from Florida [Mr. SMATHERS] called our attention as early as 1960 to the fact that current tax provisions are perhaps inadequate with respect to the need for private investment in Latin American countries. He said:

> U.S. investors complain—and I think rightly—that our Federal tax laws operate to deprive them of the advantages of tax concessions granted by other Governments in an effort to attract capital.

Mr. William Benton, in an article in the 1961 Encyclopedia Britannica Book of the Year, said:

> Adequate relief from international double taxation is necessary if foreign investments are to be increased. Although the United States will grant credits—against the U.S. tax imposed on the same income—for payments of foreign income and excess profits taxes, the concepts which determine whether a tax credit is given frequently make it an inadequate instrument for preventing double taxation. For example, several Latin American countries impose principal taxes which do not qualify as income taxes under U.S. regulations and therefore cannot be credited against the U.S. tax.

And we know that as late as 1960, a number of those in the administration and in Congress who are leading proponents of the pending tax proposals were urging at that time increased tax incentives for foreign investment through the provisions of H.R. 5.

It may not be feasible at this time to enact incentives to encourage the needed increase in private U.S. investment in Latin America. But certainly this is no time to move in the opposite direction.

In summary, Mr. President, I believe two essential points have been established:

First, there is widespread and bipartisan recognition that increased U.S. private investment is essential to economic development and social improvements in Latin America under the program of the Alliance for Progress. Our investment in this area already has fallen below our established goal.

Second, certain sections of the pending tax revision bill would conflict with this accepted national objective and retard rather than increase the flow of private capital to Latin America. These sections should be eliminated from the bill or modified significantly so as to remove these impediments to the Alliance for Progress.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. AIKEN. Mr. President, I yield 5 minutes on the bill to the Senator from South Dakota, unless the Senator from Louisiana wishes to yield him time on the amendment and save the time on the bill.

Mr. CASE of South Dakota. I have asked for 5 minutes on the bill in order to place some material in the RECORD.

Mr. AIKEN. I do not know of any Senator who wishes to have more time on the amendment.

Mr. ELLENDER. Mr. President, I will yield 5 minutes on the amendment to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from Louisiana yields 5 minutes to the Senator from South Dakota on the amendment.

THE AIR RESERVE FORCES PROGRAM

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent to have printed in the RECORD a statement presented by the Honorable Joe Foss, formerly Governor of the State of South Dakota, and now president of the Air Force Association. The statement was made by him before Subcommittee No. 3 of the House Armed Services Committee. He appeared there in connection with its consideration of the Air Reserve Forces program.

Mr. President, I wish to emphasize and express my complete agreement with his four conclusions, which are as follows:

> Congress should:
>
> 1. Establish in law 48 drills and 15 days of active duty as the minimum training for units of the Reserve Forces to be used as units in an emergency.
>
> 2. Write into law that Reserve Forces Units to be immediately available as units will be authorized 100 percent manning.

I may say here that if we expect the Air Force Reserve units to be on the alert and ready for instant service, they should be authorized to be manned up to their full strength:

> 3. Point the way to a volunteer Reserve Force by establishing a Reserve Reenlistment bonus or allowance; and lower the period of obligated service to 4 years.

Mr. President, that will preserve for the Reserve components the benefit of the training of the men who may no longer be available for regular drill, but who will be attracted if there is a bonus or allowance for Reserve reenlistments.

> 4. Give consideration to the serious equipment needs of the Reserve Forces when it authorizes new equipment appropriations for the Active Force.

Mr. President, I commend to all Members of Congress a reading of this statement by General Foss. It must be remembered that he was a distinguished Marine Corps flier during World War II, was the first ace of World War II, was awarded the Navy Medal of Honor, and has brought his glorious record in World War II to the leadership of the Reserve Forces Association.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

> STATEMENT OF JOE FOSS, PRESIDENT, AIR FORCE ASSOCIATION, BEFORE THE HOUSE ARMED SERVICES SUBCOMMITTEE NO. 3, MAY 23, 1962
>
> Mr. Chairman and members of the committee, my name is Joe Foss. I am appearing on behalf of the Air Force Association of which I currently am serving as president. I am also a brigadier general in the South Dakota Air National Guard. I wish to express our appreciation to the chairman and members of the subcommittee for allowing me to present my organization's views on the important matters you are considering.
>
> The Air Force Association long has had a vital interest in a strong "ready now" Air Reserve Forces program. We have this in-

terest because we believe that a strong Reserve is vital to the defense of the Nation. The AFA has 23,000 Air Force reservists and guardsmen among its members.

We are not asking for a bigger Reserve program, or for more Reserve funds, per se, but we are pleading for a better program. Before examining certain areas where improvement is necessary, we wish to point with pride to the Air Force and its Reserve Forces for the magnificent job done by all in the Berlin call-up. The Nation indeed owes recallees and extendees of all services, and their families, its gratitude for sacrifices made. And may we add that their sacrifice was unique in that they were the only group of civilians called on to sacrifice anything during this crisis. In addition to being separated from his family, the average air reservist recallee suffered a 60 percent reduction in pay, at a time when the cost of living was rising to a record high. In the main, however, these men are doing what they were asked to do—back up the Active Force—and they are doing it commendably.

We would like to direct the committee's attention to four specific areas of the Reserve Forces program which need corrective action:

1. Forty-eight drills as minimum training requirement for all units organized to serve as units: Based on the requirements for immediate readiness, no less than 48 drill periods per year, plus 15 days of active duty, should be provided for individuals in all organized units of the program. We believe no individual in a unit can long remain ready to be immediately useful on fewer than 48 training periods annually. Recently the Air Force Reserve recovery unit program was reduced to 24 drills. We do not believe that the many and varied tasks to be performed in the Air Reserve Forces are so simple in this day of technological change that individual or unit readiness can be achieved by training only 1 day a month. This makes us worse off than in the days of the pup tent, close order drill and breaking down the rifle. We now hear that the experts from Department of Defense and the Bureau of the Budget are planning on restricting other units to 24 drills.

We strongly recommend that Congress establish 48 drills as a minimum for Reserve Forces units to be used as units in an emergency or war.

2. Management controls on drill pay spaces: Management controls placed on the Air Reserve Forces program by the Office of the Secretary of Defense have resulted in too much control and not enough management. For example: Limiting the number of drill pay spaces permits an average of only 80 percent manning, whereas the recent utilization proved that 100 percent is required.

A dollar ceiling imposed on reserve expenditures, in addition to the manpower ceiling, results in a duplicate set of controls.

Additional manpower and dollar controls over small segments of the program are hampering senior commanders in the field in their efforts to achieve the flexibility required for effective management.

It is important to state here that the "filler" mess, which became apparent during the recent recall of Reserve components, can be largely eliminated by removing the archaic and duplicatory manpower ceiling. The program can and should be regulated by a reasonable monetary control over the Reserve Forces by Department of Defense.

While the Air Force clearly needs a 20-percent increase in drill pay spaces to provide for 100-percent manning of existing units, may we suggest that much of the problem could be solved without adding a penny to the program, if the confusing disparities in drill pay ceilings for different types of units were eliminated. We do not believe there is any justifiable reason for actually creating a situation where units when called to active duty must go through a process of assimilating an average of 20-percent "fillers." It not only lowers the readiness of the unit, but is a ready-made vehicle for gripes. A ready wartime unit must be the sum of all its parts. To be effective, the units must be allowed to man themselves and operate as a full team in peacetime. No coach would use a strange player in any game before he had an opportunity to see him in action during practice, or go on the field with only 8 men out of 11.

We are convinced that the filler problem which existed in the Berlin mobilization was a direct result of Department of Defense and Bureau of the Budget shortsighted policies. Further, we believe that the committee will not have heard the complete story on the posture of our Reserve Forces or be able to pinpoint where the problems lie until it has heard from a representative of the Bureau of the Budget. We recommend that you call in the BOB expert and get his views. We know you will find them interesting.

3. Creating a volunteer Reserve Force: We believe that the Congress should shorten the total period of military service obligation to 4 years. Much was said about equity during the hearings on the Reserve Forces Act of 1955. As you will recall, this act established for the first time in peacetime a military service obligation period following a tour of active duty. But, as the draft eligible pool expanded to many millions, draft quotas and voluntary enlistments remained relatively small and only about one out of two eligible individuals are currently being required to serve in any of the services. We feel strongly that our Reserve program should be made up of volunteers and particularly so since the military service obligation is not evenly distributed. As matters stand today, the only people who assume any military service obligation are volunteers or draftees. The present system is like Russian roulette—if you get caught, you really get caught.

While we know of no way to achieve true equity without universal military training, we recommend that the obligatory period be reduced to 4 years. Thus those serving 4 years of active duty would have no remaining obligation. Any shorter period of active duty would carry an obligation in the Ready Reserve for the remainder of the 4-year period. However, for those with less than 2 years of active military service, Reserve participation should be enforced. This enforced participation would represent equity to the country that has invested in the individual's training and should get a reasonable return.

A system of incentives for voluntary Reserve participating should be established, for enlisted men who have completed 4 years of active duty or any other combination of 4 years' service. We recommend that Congress authorize a reasonable reenlistment bonus or allowance. It has worked well in the active establishment for years—why not in the Reserves? We believe one-third to one-half of what is now in effect for the active force would be effective.

One of the most worrisome continuing problems in the Air Reserve Forces is the low percentage of participating prior service airmen. In the Air Reserve the number is approximately 40 percent. In the Air National Guard it is as low as 30 percent. This means that the remainder of these war-plan units is made up of trainees with an average of 6 months' active duty experience. While the Air Reserve Forces have an excellent training program, the system is taxed to produce effective units with these kinds of experience levels. This is particularly so when the limited number of drill periods available is considered. As you can readily understand, it makes the problem of upgrading nonprior service personnel in technical fields a very difficult one. Each year the Active Air Force is losing approximately 100,000 people who have at least 4 years' training. If we could make it worth their while to participate in the Reserve Forces, the whole Nation would benefit.

Over the years, the Congress has enacted legislation which has created a strong, viable Reserve officer corps. The experience level of this group is extremely high, being based on an average of 5 years or more of active duty. What is needed now is legislation which will attract the prior service airmen to affiliate with an active Reserve program. As mentioned above, we recommended the creation of a Reserve reenlistment bonus at the end of 4 years' service.

The Airmen Council of the Air Force Association, made up of seven outstanding airmen, fully recognizing the problem of prior service airmen participation, made a study of this matter and strongly recommended the Reserve reenlistment bonus as the first positive step to take. We believe it can be conclusively shown that it would be more economical to pay a reasonable reenlistment bonus, rather than provide an average of 6 months active duty training for new recruits. At the same time, however, we recognize that a requirement does exist for a reasonable percentage of young nonprior service enlistees in the Air Reserve Forces program.

4. Equipment modernization: The equipment in the units of the Air Reserve Forces today is largely of Korean vintage and in many cases is in limited supply. In addition, a considerable amount of the equipment which was recalled with the units to active duty will have to be retained for years by the active forces when the units are demobilized. If a requirement exists for these units in our war plans, and we should be thankful that we had them to recall during the Berlin crisis, some way must be found to reequip them properly and rapidly. Further, this equipment must be modern and up to date if the units themselves are to be truly effective. Congress should take the lead in an equipment modernization program for the Air Reserve Forces by considering the requirement of the Reserve Forces for fallout equipment, when authorizing new equipment for the active forces. We recommend this be done as a new procedure during the 412B authorization hearings.

The Air Reserve Forces units recalled have clearly demonstrated they can operate the equipment given them, and that they can perform many wartime missions on a comparable basis with the active force, including a substantial part of the Air Force's conventional limited war task.

Let me quickly summarize. We believe Congress should:

1. Establish in law 48 drills and 15 days of active duty as the minimum training for units of the Reserve Forces to be used as units.

2. Write into law that Reserve Forces units to be immediately available as units will be authorized 100 percent manning.

3. Point the way to a volunteer Reserve Forces by establishing a Reserve reenlistment bonus or allowance; and lower the period of obligated service to 4 years.

4. Give consideration to the serious equipment needs of the Reserve Forces when it authorizes new equipment appropriations for the Active Forces.

PROPOSED REPRESENTATION IN THE U.S. SENATE FOR THE DISTRICT OF COLUMBIA

Mr. CASE of South Dakota. Mr. President, I wish to address myself for several minutes as a friend of the District of Columbia, to proposals, currently before the Senate Judiciary Committee, in regard to congressional representation for the District of Columbia.

I say I speak as a friend of the District of Columbia, for I served on the House of Representatives Committee on the District of Columbia and on the Senate Committee on the District of Columbia. I was chairman of the latter in 1953 and 1954; and even after I left the committee, on one occasion, I returned voluntarily to it, for a term, when I had the time to do so.

During the time when I was either a member or chairman of the District of Columbia Committee, I twice had charge on the floor of the Senate of a bill providing so-called home rule for the District of Columbia. During the time when I was chairman of the committee, I sponsored and carried through the Senate the legislation which established, for the first time, the right of voters in the District of Columbia to participate in the election of delegates to the national conventions.

Subsequently, when there was before the Senate, for the third or the fourth time, a bill providing for home rule for the District of Columbia, I expressed the view that we would get further by means of a constitutional amendment to provide for participation by voters in the District of Columbia in the election of electors for President and Vice President; and I proposed that that be done. I brought the measure proposing a constitutional amendment to a vote in the Senate—for the first time, I believe—in connection with the home rule bill. Although it did not carry at that time, it did attract the attention of the members of the Senate Judiciary Committee, where subsequently I offered it as a constitutional amendment; and later it was adopted by the Senate as one of three proposed constitutional amendments. Of the three, it was the only one to survive; and it is now the 23d amendment.

I say this to make clear, in the RECORD, that I have been friendly to voting rights for the people of the District of Columbia, and I do believe there should be representation for them.

However, at this time there is before the Judiciary Committee a proposal that, in addition to having a voting delegate in the House of Representatives, the District of Columbia be accorded two Senators—two Members of the United States Senate.

Mr. President, in my opinion, that proposal itself would be unconstitutional in a way which could not be corrected by a constitutional amendment, except by turning the District of Columbia into a State. If the District of Columbia were to become a State, it would be entitled to two Senators; but I invite the attention of the Members of the Senate and the attention of friends of the District of Columbia to article V of the U.S. Constitution, which deals with the manner of making amendments to the Constitution. I emphasize the fact that this is the article of the Constitution which deals with amending the Constitution. It provides:

> The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution—

And so forth; and it provides for ratification by the States.

The final clause of article V is:

> And that no State without its consent shall be deprived of its equal suffrage in the Senate.

Mr. President, that is the so-called Rhode Island amendment, which made possible the adoption of the Constitution, which, in turn, made possible the formation of the Union. It is the amendment which was designed to protect the smaller States and to give them assurance of the sovereignty they would have by reason of equal representation in the United States Senate.

Consequently, I believe that when the Constitution provides that "no State without its consent, shall be deprived of it's equal suffrage in the Senate," that means that to accord two Senators to some unit of government not a State would be diluting, diminishing, and depriving the States of their equal suffrage in the Senate. I do not see how two Senators could be accorded to a Territory or to a Commonwealth or to a District set apart from the States, without violating the very provision of the Constitution which states that no State shall be deprived of its equal suffrage in the Senate. It seems to me that to add to the Senate two Members who did not represent a State and were not Senators of a sovereign State would be diminishing, diluting, and thereby would deprive the States of their equal suffrage.

Of course, if such a proposal were brought to the Senate, it would be the privilege of any Member to raise the constitutional question, which then could be passed upon by the Senate.

I have brought up this matter because I think this point has been overlooked. I believe it important to have it brought to the attention of the community of the District of Columbia; and, as I have said, I do so as a friend of the District of Columbia, one who has pioneered in making possible voting for the District of Columbia.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. ELLENDER. Mr. President, I rise to oppose the amendment of the Senator from Wisconsin [Mr. PROXMIRE]. He has been a great help on the Committee on Agriculture and Forestry, and I do not suppose the committee can boast of having a member who is more devoted to the cause of agriculture than is the Senator from Wisconsin. As he knows, the committee made every effort to obtain a workable milk program, but to no avail.

As I recall, while all the plans before us were being discussed, I suggested that all of the representatives of the milk industry—the so-called lobby that is in Washington—get together and make an effort together to propose a measure to the committee that would meet with their approval.

About a week was spent in that effort, and all to no avail. The cry of most of them was, "Let the law stand as it is. We are satisfied with it and we want to continue to live under it."

The law as it now stands, as Senators know, provides for 75 to 90 percent price supports with unlimited production. That is a feature with which I find a great deal of fault, but since it seemed impossible for us to reach an agreement, the committee decided that we should take no action at all on the milk program.

So far as I am concerned, that is the position I am assuming at this moment.

It is my purpose to introduce within a few weeks a bill that will be used for study; not as a threat, but as a warning, to the milk producers of the Nation that they should undertake on their own some ways and means of reducing the enormous costs that obtain in the milk program.

As the record shows, from April of 1961 to April of 1962, in 1 year's operation, our Government purchased milk, cheese, dried milk, and other products to the tune of $561 million.

Out of that huge expenditure, the recovery will be about 10½ million in dollars and about $20 million in soft currencies that are worth little to us.

So it can be stated that the cost to the Government on the purchase program of last year will aggregate at least $550 million.

In addition, there is also the milk that is furnished to the schoolchildren and to the Armed Forces. That amounts to $121 million.

If we add the amount chargeable to purchasers and gifts for the school milk program, the milk producers received the equal of $682 million out of the Public Treasury, more or less as a subsidy.

It is my hope that it will not be necessary for the Congress to pass any remedial legislation next year, although, as I have said, I intend to introduce my bill.

My object is to serve a warning that, unless the milk producers of the country put their house in order on their own, the Government cannot be expected to be called upon to continue these huge expenses in order to maintain the dairy industry, important as it is to our economy.

The pending amendment would authorize a program for dairy production for the marketing years ending March 31, 1963, and March 31, 1964, as follows:

Remember, Mr. President, this is a 2-year program, and at the end of the 2 years, after providing the 90-percent supports suggested in the measure, we would go back to the old bill, and we would be confronted with the same situation that has faced us for the past 7 or 8 years.

The amendment provides, first, that if two-thirds of the producers voting in

a referendum approve the proposed program:

First. A normal marketing level would be established for each producer equal to commercial marketings during the year 1961. The pending amendment was modified to use the calendar year 1961, instead of the 1961–62 marketing year.

Second. The level of price supports would be 90 percent of parity. That is the inducement put in the amendment in order to obtain a reduction of 10 percent in production.

Third. Payments of not to exceed $2.80 per hundredweight would be made to producers who voluntarily reduced their marketings below their normal marketing level.

Fourth. Surplus marketing fees in a similar amount would be collected from producers on milk which they marketed in excess of the normal marketing level.

Senators will remember that the Senator from Wisconsin introduced before the committee a measure that would carry out some of these provisions, and the committee, almost unanimously, rejected it. I think two or three Senators supported the proposal of the Senator from Wisconsin.

Second, if the foregoing program is voted down in a referendum, the present program would be continued—that is, price supports at 75 percent of parity, with unlimited production.

This program would provide producers with two choices, both unacceptable to the Government: One choice in the referendum would be to continue about the same program now in effect—no production limitations and 75 percent of parity supports. This program will cost the Government more than $500 million a year.

Mr. PROXMIRE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Louisiana yield to the Senator from Wisconsin?

Mr. ELLENDER. I yield.

Mr. PROXMIRE. Is it not true that this provision would not cost the Government any more than the bill as now drafted with no dairy section at all, because at the present time the dairy would get 75 percent of parity with no production controls? So it would not increase the cost.

Mr. ELLENDER. The increase in cost would not be very much above what it would be now. I agree with that.

As a matter of fact, I think we had estimates that under price supports of 75 percent of parity, the losses might be as high as $525 million.

Mr. PROXMIRE. The Department's latest estimate is $550 million.

The purpose of my amendment is to provide an opportunity to increase dairy income and also reduce those costs over the years.

Mr. ELLENDER. Yes, but when price supports are fixed at from 75 to 90 percent of parity, it seems to me the cost may be a little higher than what the Senator from Wisconsin estimates.

The other choice in the referendum would be 90 percent of parity price supports coupled with holding production to the 1961–62 base.

Mr. PROXMIRE. Mr. President, if the Senator will yield, I modified my amendment to make it apply to the calendar year 1961.

Mr. ELLENDER. The Senator is correct. It would be the 1961 base. That would mean, as I remember the situation, about 1½ billion pounds less than 1962.

Mr. PROXMIRE. The Senator is correct. The change shows how fast output is rising, and why it is urgent that we act at once.

Mr. ELLENDER. This program could cost the Government even more, particularly if there were no reduction in per capita consumption next year.

In connection with the problem, Mr. President, I noticed in the newspaper the other day a statement that fallout was causing a little more strontium 90 in the milk, which may reduce consumption. That, in my opinion, might tend to reduce milk consumption.

Mr. PROXMIRE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield further to the Senator from Wisconsin?

Mr. ELLENDER. I yield.

Mr. PROXMIRE. The more consumption drops and the more production increases for natural reasons, the more useful my proposal, which would limit production, would be. The more it would reduce the other ordinary costs.

I agree with the Senator from Louisiana that the 90-percent price support possibly would result in a higher cost to the Government, but that is on the basis of very extreme assumptions. It is also on the basis of very little reduction in production. I think anybody who reads the terms of the bill will come to the conclusion there would be a reduction. If there is a reduction of only 3 percent, the cost to the Government would be less, although farm income would be substantially higher.

Mr. ELLENDER. I am considering the raw milk value at 90 percent of parity.

Mr. PROXMIRE. The manufacturing milk cost? That would be $3.73.

Mr. ELLENDER. Three dollars and seventy-three cents, from three dollars and eleven cents?

Mr. PROXMIRE. The Senator is correct; about 62 or 63 cents.

Mr. ELLENDER. The Senator should realize that there would be a great inducement for producers of milk to produce more, which would be used to make more cheese, more dry milk, and other dairy products which would be taken over by Uncle Sam, at a greater cost.

Mr. PROXMIRE. But if the farmers voted in favor of the referendum they would be limited in production. They could not produce more. They would have to use the 1961 base.

Mr. ELLENDER. I understand.

There may be another decrease in consumption, as I said. As Mr. Freeman told us, that was unprecedented last year.

When Mr. Freeman changed the price for raw milk from $3.40 to $3.11, he was severely criticized. We were told that there was no basis for that change. He took the position at the time the order was entered that the Government had no butter on hand, had no cheese on hand, and had only small amounts of dry milk; and that because of an anticipated increase in the consumption of milk, due to the increasing population, he could assume an increase in the use of raw milk of about 2 to 2½ billion pounds. If his prediction had come true, the losses would have been much lower than they actually were. I am sure those assumptions were made in good faith; but they did not work out.

I fear that although we used the consumption figures for 1961 we might not reach the estimates, because of the fact that atomic testing has been resumed. On the other hand, with all due respect, there is much truth in what my good friend the Senator stated awhile ago about the increase in costs, thereby decreasing consumption. The Senator will remember that the cost of milk was reduced last April.

Mr. PROXMIRE. From $3.40 to $3.11.

Mr. ELLENDER. If the Senator will go to the grocery store, he will see whether the consumer got the benefit of that reduction.

Mr. PROXMIRE. The Senator knows very well the consumer did not get the benefit.

Mr. ELLENDER. He did not.

Mr. PROXMIRE. That is exactly our argument.

Mr. ELLENDER. That is exactly what happened. The unfortunate thing is that the retailers and the middlemen who handle milk use any change as an excuse to further increase the cost of milk.

Mr. PROXMIRE. The Senator is correct. The assumption made by the Department of Agriculture is that if there is an increase in the support price the farmer receives to 90 percent of parity, it will result in a decrease in consumption of 3½ billion pounds. I dispute that estimate, but I have to agree for the purpose of this discussion, because I do not have any independent figures. Even accepting that figure, I think we can show if there is only a 3-percent reduction in production, it will cost the Government less. If there is more of a reduction, the savings would be very substantial, even in the first year.

The alternative is unlimited production with 75-percent price supports.

Mr. ELLENDER. Mr. President, the amendment, as I pointed out a moment ago, is only a temporary expedient which would not correct the basic problems in the dairy industry.

As Senators know, at the present time dairy price support laws provide for supports at from 75 to 90 percent of parity with unlimited production. This amendment would not permanently change either the price support levels or the open end features of the dairy program.

Nor would it correct the situation which exists in many marketing order areas, wherein farmers receive higher prices for fluid milk and somewhat lower prices for manufacturing milk. Under the marketing order program the incentive of a high blend price has generated substantial increases in production. As a result, some marketing order areas in which up to 90 percent of the

total milk delivered was used for fluid uses now are in the position that excess milk is such a problem that fluid use requirements constitute only about 50 percent of the total milk delivered into the market.

Second, this amendment would provide no assurance that Government costs would be reduced. As a matter of fact, there are some indications that the cost of the program might well increase. In its early representations, the Department of Agriculture estimated that only small savings would be made, but these were only estimates.

Third, this amendment would injure seriously all new producers and all deficit areas which have been expanding production in order to meet the requirements of local markets. I wish to say that the Senator from Vermont brought that out very plainly. Young farmers who have just begun in the business would be prevented from achieving an efficient operational level. Older producers who have achieved efficient operational levels would be required to cut production, thereby decreasing the efficiency of their operation and possibly increasing their cost of operation.

Fourth, a similar plan, when proposed by the administration, was unacceptable to a large majority of representatives of the dairy industry. They felt that a required national cut might well disrupt normal marketing conditions and practices and create shortages, and perhaps even hardships, in certain areas, especially those areas which are not now producing in excess of their needs.

Fifth, there is considerable doubt that the administrative requirement in implementing a program of this type could be met in time to make the program operative. The new marketing year began on April 1. Already we are in late May and the bill has not, as yet, passed either House. I would doubt seriously that a bill of this nature could pass both Houses, be resolved in conference, approved by both Houses, and signed into law by the President before late June or possibly early July. I hope that I am wrong, but this always must be taken into consideration.

However, the fact is that before a program of this type could be put into operation the Department of Agriculture would have to establish a base for every farmer in the country covered by the bill. The farmers would have to vote in a referendum. The Department would have to determine each farmer's choice with regard to his particular cut in production. The handlers and processors throughout the country would have to establish records for each individual. Procedures for setting up these quotas would have to be established, and a host of other administrative decisions and acts would have to take place before the program could become fully effective.

The administrative difficulties plus the fact that the industry itself is split on the merits of the proposal make it advisable that any action on dairying be deferred entirely until further study is made by the industry and by the appropriate committees of Congress.

As I said previously, it is my purpose to do that very thing by introducing a bill and, I hope, hold hearings sometime this year. I have no intention of trying to obtain the passage of a dairy bill this year, but merely to activate the minds of those engaged in dairying, in the hope that some solution can be arrived at next year.

Mr. PROXMIRE. Mr. President, I yield 5 minutes to the senior Senator from Minnesota.

The PRESIDING OFFICER. The senior Senator from Minnesota is recognized for 5 minutes.

Mr. HUMPHREY. Mr. President, first, I invite the attention of the chairman of the committee to the following observation: Am I correctly informed that it is the intention of the chairman in the very near future to have rather comprehensive hearings and testimony upon the whole subject of dairy production, distribution, and pricing, with the many proposals that have been advanced by Senators as the subject of the testimony?

Mr. ELLENDER. Yes. In order to start the ball rolling, as I said, I have gathered a few ideas of my own from the hearings that were held on the bill before the Senate today. It is my hope to keep the committee busy and get the people in the industry thinking about the question, so that when we return next year, we shall be able to try to get a realistic bill through. However, my hope is that that will not be necessary. It may be possible for the people in the industry themselves to get together. I hope they realize that the Government cannot continue to pay the enormous subsidies to which I referred a few minutes ago.

Mr. HUMPHREY. My friend, the able chairman of the committee, has expressed two hopes. I trust that both hopes will come to fruition. But with reference to the first hope, namely, that the Senator would hope to get the committee together, that hope could be translated into an expression of the chairman that he will get the committee together to study the many proposals that have been offered. Is the Senator from Minnesota right in assuming that that will be done?

Mr. ELLENDER. Yes.

Mr. HUMPHREY. I thank the chairman.

Mr. President, I intend to submit to the Committee on Agriculture and Forestry a bill relating to the dairy industry. I have always made it clear that at the time of the submission of a proposal, the one submitting the bill should attempt to do the best he can as he sees the problem. I find that when we discuss intricate and complex measures adjustments are required. Changes are needed. I wish the chairman to know that since I offered my proposal in the past week and discussed it in the Senate, I have found that some changes are needed. My friend, the Senator from Wisconsin [Mr. PROXMIRE], pointed out some at that particular time, even as we were discussing the measure I offered on behalf of myself and my colleague [Mr. MCCARTHY]. So we look forward to the hearings.

As the Senator from Wisconsin [Mr. PROXMIRE] has already said, the dairy industry is in serious trouble already. I must say, in all fairness, that when we pass legislation that has as its objective a better market price for wheat and a better market price for feed grains, there is a need to have some balance in the legislation to assure a better market price for dairy products, because ultimately the dairy product is essentially a refined feed grain product. The cow is the greatest processor of feed in the world.

I also feel that the statistics reveal that milk consumption is increasing. There was a period of time a year ago when there was a drop in milk consumption. There has been much speculation as to why that occurred, but no definite knowledge is as yet available. That drop resulted in a very heavy purchase program on the part of the Government because of existing legislation.

The Senator from Wisconsin and the Senator from Minnesota have offered a 2-year amendment, not as a cure-all, but as a short-term measure.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, I yield myself 5 more minutes.

The PRESIDING OFFICER. The Senator is recognized for 5 additional minutes.

Mr. HUMPHREY. The proposal has been offered as a means of tiding us over until long-range dairy legislation can be enacted.

What does the Proxmire-Humphrey proposal embody? First, as its standard it would hold production at the 1961 calendar year levels.

Second, it has a built-in mechanism to hold production; namely, a penalty program under which, if a farmer should produce beyond his allotments, the built-in mechanism would reduce production. A payment program is provided if the farmer cuts as much as 10 percent from his 1961 base. He could cut as much as 25 percent and still be eligible for payments up to $2.80 a hundredweight. To simplify the problem, if we are to have a dairy program that will be at all effective in stabilizing market conditions and placing some restraint upon production, while at the same time offering price support protection to afford a reasonable price and fair income for dairy producers, we must have some kind of mechanism within the program to hold production down and to cut production back. The Senator from Wisconsin [Mr. PROXMIRE] has now offered an amendment. I am happy to join with him, and wish to pay credit where credit is due. He has taken the leadership on this question and done well with it. What the Senator from Wisconsin has done is to outline for the Senate a proposal which, on its face, first of all, would cut back production from 1962 levels. That is where the start is made. We would cut back to the year 1961 as the base period. That is approximately 117 billion pounds of milk products.

It is desirable to reduce that level below the 117 billion pounds. So the Senator has outlined an incentive payment program for that purpose. That incentive payment program for production cutback was used in the feed grain pro-

gram and in the wheat program. In part it has worked. It is not a complete answer. It is not as successful as one might like, but it is much better than what we have.

In his amendment, in which I have joined, the Senator from Wisconsin offers a means of curtailing production. The amendment contains a penalty upon expanded production if we are able to get 90 percent of parity price supports. That is the principle that all of us believe in. If one is to receive help from his government, he ought also to be willing to accept some regulation or control over production. Otherwise we shall have the situation which we have today. Today we have a system which affords 75 percent of parity. A farmer can go ahead and produce, and the Government will buy all that the farmer cannot sell. That is exactly what has happened.

Unless something is done to change the situation, we shall run out of refrigeration space. We are in danger of running out of space properly to refrigerate the products which the Government is compelled to purchase under the present program.

What does the Senator from Wisconsin propose? His amendment may have its loopholes and some inadequacies. I have such great respect for the Senator from Vermont [Mr. AIKEN] on these questions—and what I say is not said in order to flatter him—that when I heard him point out some of the inadequacies of the proposal, the first question I asked was, "What can we do about that?" I know he wants to help the dairy farmer. I know he wants to improve the price structure. I know he wants a more orderly marketing.

I know that his criticisms of a proposal are constructive. I do not want to slide off into some unknown area. I want to chart a course very carefully. The amendment is a good proposal. It has merit. That proposal, plus what is in the House bill, if adopted and brought into conference, where the technicians and the senior members of the two committees can sit down and work it over, may result in a very good provision.

If we do not do something, the cost of this program will continue to rise, go up and up and up. I am not particularly overwhelmed by the thought that we may have some extra powdered milk or cheese on hand. We need it. I am not concerned over that fact. There is a limit set in the Proxmire amendment, and it is a reasonable adjustment. I hope the Senate will support it.

Mr. PROXMIRE. Mr. President, I wish to take only a few minutes to sum up. First, I wish to emphasize the compelling fact that the dairy farmers' income is disgracefully low. Yesterday, as the Senator from Vermont [Mr. AIKEN] said, a blow was struck at the dairy farmer, which will increase his costs and lower his income still further. Senators voted for it, I am sure, with the best of intentions, believing it was necessary, but, I am sure, also with a heavy heart.

Now we have a chance to do something for the dairy farmer. We must recognize the fact that the dairy farmer works longer hours than any other farmer in the country. He must have a very big investment. The average is $40,000. He takes big risks. His income throughout the country has averaged 65 cents or 75 cents an hour. We cannot permit this situation to continue.

What we propose is an alternative to nothing. There is nothing whatever in the pending bill of benefit to the dairy farmer. There is no dairy section. If the amendment is not adopted, the dairy farmer will continue to have no controls on production, and no opportunity to have any controls on his production.

He will continue to get only 75 percent of parity. We know what is going to happen. The statistics underline the urgency of our taking action now, and bringing to a halt the rise in production of milk. In the 1960 marketing year the production was 114 billion pounds. In the current 1962 marketing year the figure is about 120.5 billion pounds. That is an increase of 6 billion pounds in 2 years. My amendment would halt the production rise, and give consumption an opportunity to catch up. It would give the dairy farmers in West Virginia, Vermont, Rhode Island, and Florida an opportunity to vote for an adequate income.

I submit that under any reasonable interpretation of the cost of the Government it would mean that the cost would be less.

As the Senator from Minnesota [Mr. HUMPHREY] has said, this is a temporary program of 2 years. We have never had a quota program for dairy farmers. Does it not make good sense to try it out for a temporary period, so that we may have a chance to look at it and see how it works before we enact permanent legislation?

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am delighted to yield to the Senator from Rhode Island.

Mr. PASTORE. Has the Senator's amendment been considered by the committee?

Mr. PROXMIRE. The amendment was considered by the committee. The committee voted on it but turned it down.

Mr. PASTORE. Has the plan which is being suggested by the Senator from Wisconsin been endorsed by the administration?

Mr. PROXMIRE. No; the administration had another proposal. It had a proposal which was similar in many respects. The basic principles of the two proposals were the same. The difference is that the administration's proposal would have provided for lower level of price supports if the farmers voted no, and also a somewhat lower level if they voted in favor of it.

Mr. PASTORE. The Senator from Rhode Island is not being critical, but merely curious as to what the amendment of the Senator from Wisconsin would accomplish. I understand that he would provide a 90-percent rigid parity price. Is that correct?

Mr. PROXMIRE. Under my amendment, farmers would vote in a referendum. If one-third or more voted "no," the present situation would continue.

If two-thirds or more voted "yes," they would have to limit their production to what they produced in 1961. That would mean a cutback in production. It would also mean that they would be paid, if they voluntarily wished to do so, to reduce their production even below the 1961 level, in an amount which would result in a saving to the Government. It would be $2.80 a hundredweight. Today the Government pays more than this to acquire dairy products for price support.

Mr. PASTORE. What would the parity be?

Mr. PROXMIRE. It would be 90 percent, or $3.73.

Mr. PASTORE. It would be a rigid parity.

Mr. PROXMIRE. It is a rigid parity now. It would be anyway.

Mr. PASTORE. Is the formula that is being suggested by the distinguished Senator from Wisconsin with reference to milk and dairy farming somewhat different from the formula in the two amendments which were adopted yesterday?

Mr. PROXMIRE. The basis is very similar. The principle is similar. If farmers vote for controls, they get a higher price.

Mr. PASTORE. Perhaps I have not made myself sufficiently explicit. The Senator tried to make a comparison between what was done yesterday with reference to graingrowers and what we should be doing today with reference to dairy farmers.

Mr. PROXMIRE. Yes; I did.

Mr. PASTORE. I am trying to assimilate that information and find out if the relief would be identical.

Mr. PROXMIRE. No; it is not identical. It is different. The reason I believe the action we took yesterday makes action of this kind necessary and important today is that yesterday we increased the costs to the dairy farmer. Therefore, we should give the dairy farmer an opportunity to vote, if he wishes to do so, to get a higher price if he will limit his production. Why is that not fair? The relief is not identical.

Mr. PASTORE. Yesterday we did all these things to limit production so as to do away with our surpluses and so diminish the burden of expense on the taxpayer in the paying of storage fees, which payment in some instances has resulted in scandals.

Mr. PROXMIRE. That is exactly what the dairy amendment would do for dairying.

Mr. PASTORE. The Senator has not said so.

Mr. PROXMIRE. It would not operate in precisely the same way. The dairy farmer would not have the same levels of parity. But the principle of the program is the same.

Mr. PASTORE. Why does not the Senator make it as flexible in his case as was done yesterday? Why does he propose a 90-percent rigid parity?

Mr. PROXMIRE. My answer is that this is a temporary program, a temporary program, a 2-year program, and farmers

have a right to know exactly what price they will be voting on.

Mr. PASTORE. Is the Senator's justification that it is a temporary program?

Mr. PROXMIRE. No, but we have never had a referendum for dairy farmers. We have had referendums for wheat and other crops. But a quota program for milk is a brandnew departure, and I think it makes sense to enact it for a temporary period in the first instance.

Mr. PASTORE. Does not the Senator from Wisconsin feel it would be much more appropriate if the amendment were referred to the committee, so that there could be full hearings and a full record?

Mr. PROXMIRE. I am delighted to answer that question. There were full hearings on it. The Senator from Louisiana and the Senator from Wisconsin were present at most of the hearings. The Senator from Louisiana was there practically all the time. So was I. There were also full hearings on feed grains. Concerning feed grains the committee said "No." It said it did not want the mandatory feed grains program. Then we came to the floor; and the Senate, in its wisdom, decided to reverse the action of the committee.

It seems to me that in the interest of consistency, the Senate should do the same thing with regard to the dairy situation. The Senate also reversed the committee with respect to wheat. It should do the same thing with regard to dairying. The Senate reversed the committee on feed grains, and that has adversely affected the dairy farmer. My amendment would tend to mitigate the adverse effect.

Mr. PASTORE. Does the Senator have any figure which would indicate what the price to the consumer of milk would be under the present system and under his amendment?

Mr. PROXMIRE. It is unfortunate, perhaps, that the price of milk is not reflected by what happens to the price the farmer is paid. This year, only 2 months ago, the price of milk to the farmer was reduced by about 10 percent. It was reduced from $3.40 to $3.11. I ask the Senator from Rhode Island to ask his wife, "Are you paying less for your milk?" Of course not. What happens, as the Senator from Louisiana said a few minutes ago, is that the retailer merely absorbs the margin.

Mr. PASTORE. But what if the Senator's amendment should be adopted? What can I tell my wife that she will have to pay? Will she have to pay less or more?

Mr. PROXMIRE. The adoption of my amendment probably would not have much effect, because the history of the program since 1949, when the program was adopted, does not show a cause-and-effect relation.

Mr. PASTORE. The adoption of the amendment would not have very much effect, but the price would be higher.

Mr. HUMPHREY. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. Milk would not cost a cent more. The cost of butter might be a little higher, but not the cost of milk, because fluid milk is controlled by marketing orders. We would like to be able to get as much for milk out our way as farmers elsewhere receive.

Mr. PASTORE. I merely wanted to know the facts, so that I might be guided in my vote.

Mr. HUMPHREY. With respect to butter, the adoption of the amendment might possibly result in an increase of a cent or two a pound; but on fluid milk, for consuming purposes, no, because fluid milk is controlled by marketing orders.

Mrs. NEUBERGER. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mrs. NEUBERGER. The consumer may not notice a change in the price of a quart of milk, but will he know it when he pays his taxes? Will he be aware of a reduction in taxes?

Mr. PROXMIRE. The taxpayer would benefit from my amendment, because it would result in a reduction of the production of milk; therefore, it would result in a lower acquisition cost to the Commodity Credit Corporation.

Mr. HUMPHREY. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. The questions asked by the Senator from Rhode Island were pertinent and highly important. The bill I introduced in the Senate last week in behalf of myself and my colleague from Minnesota [Mr. McCARTHY] embodied the very principles which were built into the feed grain storage measure, and into the amendment which the Senate adopted yesterday; namely, to provide allotments and controls to enable the farmer to get better prices for his commodities. If one does not accept allotments and controls under the referendum, he will have to accept a drop in base support each year—from 75 to 70 percent, from 70 to 65 percent, from 65 to 60 percent, and so on—for a 5-year period. In other words, adjustments would be made in terms of lower costs to the Government for shorter supplies. That is a rather far-reaching proposal. But I have come to the conclusion that that proposal would be better handled by taking it before the committee in the regular order of legislative procedure. However, the point is made that so far as the principle of the bill is concerned—the principle in the Humphrey-McCarthy proposal introduced last week—it is one of a flexible type of price support schedules with allotments and a base period.

If one does not accept the referendum allotment in the base period, and the plan of penalty payments for overproduction and incentive payments for cooperation, the price support levels will drop 5 percent each year for 5 years. That is tough legislation; it is far-reaching legislation. I had not intended to offer it today; but unless we can obtain some relief from an incredibly difficult economic problem, possibly we shall have to revise our calculations and consider whether to offer the proposal.

Mr. PROXMIRE. Mr. President, if the Senator from Louisiana is willing to yield back the remainder of his time, I will yield back the remainder of my time, and then the Senate can vote.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment, as modified, of the Senator from Wisconsin [Mr. PROXMIRE].

Mr. HUMPHREY. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. They have been ordered.

Mr. HUMPHREY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Minnesota will state it.

Mr. HUMPHREY. What is the pending business? What is the question on which the Senate is about to vote?

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Wisconsin [Mr. PROXMIRE].

Mr. HUMPHREY. And the yeas and nays have been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Wyoming [Mr. HICKEY], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. McGEE], the Senator from Michigan [Mr. McNAMARA], the Senator from Florida [Mr. SMATHERS], the Senator from Mississippi [Mr. STENNIS], and the Senator from Utah [Mr. Moss] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in family.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Colorado [Mr. CARROLL], the Senator from Louisiana [Mr. LONG], the Senator from Missouri [Mr. LONG], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Utah [Mr. Moss] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from California [Mr. KUCHEL] is necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate.

On this vote, the Senator from California [Mr. KUCHEL] is paired with the

Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from California would vote "nay," and the Senator from Wisconsin would vote "yea."

The result was announced—yeas 13, nays 70, as follows:

[No. 61 Leg.]

YEAS—13

Bartlett	Humphrey	Morse
Burdick	Jackson	Proxmire
Douglas	Kefauver	Young, Ohio
Hart	Long, Hawaii	
Hartke	McCarthy	

NAYS—70

Aiken	Ellender	Muskie
Allott	Engle	Neuberger
Anderson	Ervin	Pastore
Beall	Fong	Pearson
Bennett	Goldwater	Pell
Bible	Gore	Prouty
Boggs	Hayden	Randolph
Bush	Hickenlooper	Robertson
Butler	Hill	Russell
Byrd, W. Va.	Holland	Saltonstall
Cannon	Hruska	Scott
Capehart	Javits	Smith, Mass.
Carlson	Jordan	Smith, Maine
Case, N.J.	Keating	Sparkman
Case, S. Dak.	Kerr	Symington
Church	Lausche	Talmadge
Clark	Mansfield	Thurmond
Cooper	McClellan	Tower
Cotton	Metcalf	Williams, N.J.
Curtis	Miller	Williams, Del.
Dirksen	Monroney	Yarborough
Dodd	Morton	Young, N. Dak.
Dworshak	Mundt	
Eastland	Murphy	

NOT VOTING—17

Byrd, Va.	Johnston	McNamara
Carroll	Kuchel	Moss
Chavez	Long, Mo.	Smathers
Fulbright	Long, La.	Stennis
Gruening	Magnuson	Wiley
Hickey	McGee	

So the amendment, as modified, was rejected.

Mr. McCARTHY, Mr. CASE of South Dakota, and Mr. MORTON addressed the Chair.

The PRESIDING OFFICER (Mr. BURDICK in the chair). The Senator from Minnesota is recognized.

Mr. McCARTHY. Mr. President, I call up my amendment designated "5-24-62—E."

The amendment offered by Mr. McCARTHY is as follows:

On page 66, between lines 6 and 7, insert the following:

"SUBTITLE C—DAIRY SURPLUS REDUCTION

"SEC. 330. The current rate of production and marketing of milk in the continental United States, excluding Alaska, is such as will result in excessive and burdensome supplies of milk and other dairy products during the marketing year ending March 31, 1963.

"In order to afford producers the opportunity and the means by which they can on a compensated basis voluntarily adjust their marketings of milk during the marketing year ending March 31, 1963, more nearly to equal demand and thus reduce Government purchases under its price support program, the Secretary of Agriculture is hereby authorized, through the Commodity Credit Corporation, to carry out for the marketing year ending March 31, 1963, an emergency dairy surplus reduction payments program as set forth in the following sections of this subtitle.

"SEC. 331. The Commodity Credit Corporation is hereby authorized to make surplus reduction payments to producers in continental United States, excluding Alaska, who agree to reduce, during any one or more quarterly marketing periods of the marketing year ending March 31, 1963, their marketings to a level not (i) less than 10 per centum or (ii) more than the larger of 25 per centum or seven thousand five hundred pounds of milk below their normal marketing levels established pursuant to section 434 of this Act for each such quarterly marketing period: *Provided*, That Commodity Credit Corporation shall, to the maximum extent practicable, limit such agreements so as not to effect adjustments in any dairy district in excess of 10 per centum of the estimated total marketings by all producers in such district during the preceding marketing year. For this purpose, the Secretary shall divide the continental United States, excluding Alaska, into fifteen dairy districts each having therein approximately the same proportion of total milk production. Such payments shall not exceed (i) $2.50 per hundredweight of milk, basis 3.82 per centum butterfat content, (ii) such rates as the Secretary determines will effectuate voluntary reduction in marketings by producers, or (iii) the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by his agreement shall be eligible to the surplus reduction payment on the quantity by which he actually reduced his marketings below his normal marketing level, provided he reduces by as much as 10 per centum of his normal marketing level, but the amount of such payment shall be reduced by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into hereunder may contain such terms and conditions as the Secretary determines necessary to effectuate the purposes of the emergency dairy surplus reduction payments program and to assure that a producer's reduction in marketings is not offset through a transfer of his milk cows to another producer for the production and marketing of milk.

"SEC. 332. The Secretary shall establish a normal marketing level for each producer in the continental United States, excluding Alaska, who desires to enter into an agreement with the Commodity Credit Corporation pursuant to section 433 of this Act. Such normal marketing level shall be the number of pounds of milk, or the number of pounds of milkfat, or such units of dairy products as the Secretary may deem appropriate for the administration of this subtitle which is the lower of (i) the producer's marketings during the calendar year 1961 or (ii) the Secretary's estimate of what would be marketed in a calendar year by the producer based on the rate of his marketings when he enters into the agreement with Commodity Credit Corporation, adjusted for seasonal variation. In establishing a normal marketing level, the Secretary shall make such adjustments in the producer's 1961 marketings as he deems necessary for food, drought, disease of herd, personal health, or other abnormal conditions affecting production or marketing, including the fact that the producer may have commenced production and marketing after January 1, 1961. A producer's normal marketing level for the marketing year shall be apportioned by the Secretary among quarterly marketing periods thereof in accordance with the producer's marketing pattern in 1961, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

"SEC. 333. The Secretary shall prescribe such conversion factors as he deems necessary for use in determining the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, and other dairy products.

"SEC. 334. The quantity of milk reduced by a producer pursuant to his agreement under this Act shall be considered as having been produced and marketed by him for the purpose of determining his production or marketing history under any farm program in which such history may become a factor. A producer may, to such extent and subject to such terms and conditions as the Secretary may prescribe, transfer his normal marketing level, or any part thereof, to any other producer or prospective new producer who agrees to utilize such normal marketing level for the disposition in commercial channels of milk, butterfat, or dairy products produced in the same State as that in which the transferor engaged in production or any State adjacent thereto. A producer who moves from one area to another and there engages in the production and marketing of milk may take with him all or any portion of his normal marketing level.

"SEC. 335. The Commodity Credit Corporation may make supplemental payments to producers of milk for manufacturing who enter into agreements under section 331, which shall be in addition to the surplus reduction payments made to such producers. The amount of such a supplemental payment to be made with respect to the quantity of milk marketed by a producer may not exceed the difference between the United States average price at wholesale of milk for manufacturing and 90 per centum of the parity price for that quantity of such milk.

"SEC. 336. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

"(b) Costs incurred in the carrying out of the provisions of this subtitle shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation.

"SEC. 337. Whenever normal marketing levels are established under this subtitle, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof may in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Under such provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which such producers have reduced marketings below their normal marketing level. In the computation of the uniform price there shall be included, at the lowest class price, the volume of milk upon which producers will be entitled to marketing adjustment payments. For the purposes of this section a producer's normal marketing level shall be apportioned on a monthly basis. In the case of a producer, part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the representative period, the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform price and payment under such order. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Act as other provisions under section 8c.

"SEC. 338. No person engaged in the purchase or handling of milk, milk fat, or dairy products shall discriminate against any producer who enters into an agreement with the Commodity Credit Corporation pursuant to this Act. The Commodity Credit Corporation shall not purchase dairy products from any person whom the Secretary determines practices such discrimination. The several

district courts of the United States shall have original jurisdiction to hear and determine controversies arising under this section, without regard to the amount in controversy, and to enjoin and restrain any person or persons from discriminating or conspiring to discriminate against any producer in violation of this section."

Mr. McCARTHY. Mr. President, this amendment relates to the dairy program, and I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from Wisconsin.

MUST HALT BASE RACE

Mr. PROXMIRE. Mr. President, I regret that my dairy plan has not won approval, but there is good reason to think that some mandatory quota plan for milk may be enacted in the near future. Accordingly, many farmers understandably are now seeking to build a base for any program, whether enacted this year or in some future year. I think that it would be most helpful to make clear legislative history right now that, in any supply management program for dairying, whether enacted this year or in some future year, 1961 bases and/or earlier bases will be used.

I hope such a statement of intent will be given wide publicity by the press and radio at the earliest possible date, to prevent possible future misunderstanding.

Unless such action is taken soon, the consequences for our farm programs are both serious and predictable. In an effort to build a base for future supply management programs, farmers everywhere will milk every extra cow, whether this is a wise herd management plan or not.

I think we should take steps to halt this base race at once. If not, it is going to work a hardship on the dairy farmer and the Federal Treasury.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield briefly to the Senator from Minnesota.

Mr. HUMPHREY. I think the Senator's words of advice are very well founded. I hope something like what he proposes can be done.

Mr. PROXMIRE. I thank the Senator from Minnesota.

Mr. MUNDT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MUNDT. What amendment is before the Senate?

The PRESIDING OFFICER. The amendment of the Senator from Minnesota [Mr. McCARTHY], designated "5-24—62—E."

Mr. ROBERTSON. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield to the Senator from Virginia.

Mr. ROBERTSON. I have had placed on the desks of all Senators an amendment which I have prepared, which I intend to offer after consideration of the amendment of the Senator from Minnesota and the amendment to be offered by the Senator from South Carolina.

Under the proposed amendment the President would be authorized to give to our needy friends in Africa and in Asia, but primarily to the starving Chinese in Hong Kong, our surplus feed grains. It would not cost us anything, because we are now spending 15 cents a bushel or more to store the grain. In 7 years it will go down the drain.

We cannot have a meaningful referendum as to turning our farmers back to the free enterprise system with this surplus grain hanging over their heads. The amendment would provide for a limit of $300 million a year on the giveaway, to the extent it is necessary to give away the surplus corn, barley, and grain sorghums, over and above a proper carryover, and what is necessary for export; provided, that the feed grains are given away in a manner which will not affect our commercial markets and in such a manner that they will not go to any Communist country.

The explanation of the amendment is on the desk of each Senator. This is the way we can help our farmers start back on the road to a system of private enterprise. I hope Senators will be in the Chamber and will give me help in the adoption of the amendment, because it is one of the real solutions to the farm problem. We cannot solve the farm problem when there is a great surplus hanging over the farmers' heads.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. ROBERTSON. I yield.

Mr. PASTORE. I commend the Senator from Virginia. I have a question to propound, and I hope we can search out an answer.

Is there any mechanism provided in the amendment which would insure that the people themselves would get the grain?

Mr. ROBERTSON. The amendment provides that the grain would go to the people. The President will have to handle the program. I cannot say whether the politicians or the people would get the grain. The amendment provides that the grain would go to the people, and primarily we want it to go to the starving Chinese in Hong Kong.

In the midst of unparalleled abundance, we cannot stand unmoved by the stark tragedy of famine in that crown colony.

Also, we should like to get our farmers back on the road to private enterprise. Why should we pay for storage of this grain, when we can use it to help starving people?

Mr. PASTORE. I commend the Senator for his noble idea. Why should we hoard, indeed, when stark hunger drives innocent men, women, and children into our arms for help. The proposal is most humane.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the Senator from South Carolina.

Mr. McCARTHY. Mr. President, I believe I have control of the time.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. McCARTHY. Mr. President, I was glad to yield to the Senator from Virginia. I did not know he was going to speak on his amendment.

Mr. ROBERTSON. I should be glad to have the Senator take time on my amendment, when consideration of it is reached.

Mr. McCARTHY. I was pleased to yield to the Senator. I commend the Senator from Virginia, and I indicate my interest in his proposal.

Mr. THURMOND. Mr. President, will the Senator yield? I should like to ask the Senator from Virgina a brief question.

Mr. McCARTHY. I yield to the Senator for a question.

Mr. ROBERTSON. I shall be glad to have it taken from the time on my amendment.

Mr. McCARTHY. That is not necessary.

Mr. THURMOND. Mr. President, I should like to inquire with regard to the proposal of the Senator from Virginia. My understanding is that some years ago, when the United States sent wheat to Poland, the people of Poland never knew that the wheat came from the United States. The bags in which the wheat was given to the people did not bear the name of the United States or anything else to indicate that the wheat came from this country.

I was wondering if the amendment proposed by the Senator from Virginia contains anything to indicate that the U.S. Government is giving this grain, so that the people who receive it will know we are friendly and are trying to help them.

Mr. ROBERTSON. The amendment does not specify the exact manner in which the grain is to be labeled. That should be the policy. Every bag of food should have a picture of Uncle Sam and a picture of our flag on it, so that the people will know from where it came.

If we had done that in 1948 and 1949, we would have many more friends in Europe than we now have. The people there thought the politicians were handing the things out to them, and they gave the United States no credit.

Mr. THURMOND. Mr. President, I think the Senator is exactly correct. If the amendment does not cover that subject, I wonder if the Senator will consider embracing within it a sentence stating specifically that the containers in which the grain is delivered should bear the appropriate U.S. designation.

Mr. ROBERTSON. I would accept any appropriate amendment, but I do not know what the containers will be.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I wish to say to the distinguished Senator from Virginia that I think his proposal has much merit. As I said last night when we were discussing this same subject, I think two tests should be provided. First, the recipients should be very carefully screened, to make sure that we are not feeding any Communist agents. Further, there should be some protection against black

marketing. I have vivid recollections that even in Nationalist or mainland China, in the latter stages of the Second World War, there was considerable black marketing of the U.S. equipment. We would not wish to have that happen.

Mr. McCARTHY. Mr. President, my amendment proposes the language which was adopted by the House Committee on Agriculture relating to the dairy industry, with two significant changes which are included in section 335.

Under that section the Commodity Credit Corporation is to be given "authority to make supplemental payments to producers of milk for manufacturing who enter into agreements under section 331, which shall be in addition to the surplus reduction payments made to such producers. The amount of such a supplemental payment to be made with respect to the quantity of milk marketed by a producer may not exceed the difference between the United States average price at wholesale of milk for manufacturing and 90 per centum of the parity price for that quantity of such milk."

The amendment, together with the language reported by the House Committee on Agriculture, relates to a dairy program which, in the first place, would be entirely voluntary. No referendum would be involved. No farmer would in any way be compelled to do anything he did not wish to do. No farmer would be required or forced to sell any cows or to reduce production of the cows he has.

The program, according to the estimates of economists in the Department of Agriculture, would cost no more than the present dairy program under which the Government is required to support the dairy products at $3.11 per hundredweight with unlimited production. There is a possibility that it might save the Government some $50 million, depending upon the measure of the signup.

I make the further point that if the amendment were adopted there would be no increase, as a result of the program, in the price of dairy products in the market, either as respects whole milk or manufacturing milk as it comes on the market in various forms, or butter or cheese. The prices in the marketplace would not be affected in any way as a result of the adoption of the amendment.

The significant thing is that, depending again upon the measure of compliance, there is a possibility that between $150 and $200 million of Government tax money, which under the existing system would go into storage costs and into the costs of offsetting deterioration and waste, would go into the hands of the farmers directly, without any cost to them or any waste on the part of the Government or the farmer himself.

I am sure it is not necessary to review the statistics that are available, demonstrating that the dairy industry is in serious economic trouble, and that the dairy program, which is a part of the general program, is also in serious trouble. The income of the family dairy farm is inadequate, and under the existing dairy price-support program which provides for 75 percent of parity, it is now estimated that the cost to the taxpayer will be over $500 million this year, which is about the same amount as it cost last year.

The President of the United States in his farm message, and the Secretary of Agriculture in testimony before the Committee on Agriculture and Forestry of the Senate, along with representatives of major dairy groups and farm groups, all were in agreement that the dairy problem is serious. Nonetheless, it was not possible to reach an agreement on a specific program in the Senate Committee on Agriculture and Forestry, and the farm bill was reported as we have it before us today without any type of dairy program.

The Senator from Wisconsin [Mr. PROXMIRE] recommended a program. He presented it to the Senate, and it was voted down. It was a program which I think had great merit. It was proposed as a temporary program, or one that would be limited in duration. It nonetheless had in it the essentials of a program that I think must be adopted if we are to have a permanent and workable dairy program as a part of the general farm program. I have little hope that we can secure the adoption of a permanent dairy program at this session of Congress. I am not proposing any such program today. My proposal is an emergency program. It would operate only until the end of the present marketing year, which is March 31, 1963.

In many respects the amendment is in purpose and structure similar to the emergency feed grain program which was adopted by Congress last year. We reached agreement on a temporary feed grain program; it cut surpluses; and it raised farm income. It provided some experience upon which to develop a permanent program for the future. I am suggesting that the same course of action be followed today with regard to a dairy program. I am satisfied that if Senators were familiar with this proposal they would see little reason for turning the program down as a temporary program.

The Committee on Agriculture of the House has approved an emergency dairy program for the marketing year ending March 31, 1963. Their proposal is a voluntary program in which farmers would be paid up to $2.50 a hundredweight for reducing production.

All other production would be supported at the basic 75 percent of parity—approximately $3.11 per hundredweight.

Under present law, unlimited production of dairy products at 75 percent of parity support is permitted. In 1961 and 1962 the Government purchased 435 million pounds of butter, 194 million pounds of cheese, and approximately 1,200 million pounds of nonfat dry milk.

Government purchases removed about 9 percent of the total milk fat that was produced and about 13 percent of the total nonfat milk that was produced in this country; altogether, this amounts to about 10 percent of the approximately 125 billion pounds of milk produced in the United States in that production year.

Today the Government has on hand 283 million pounds of butter, 85 million pounds of cheese, and 325 million pounds of nonfat milk. It is estimated that in this next year the Government will have to spend something like $550 million in the purchase of milk products under the 75 percent of parity program which is now in effect.

There is some evidence that under the program, which we might have expected to discourage production, there is a likelihood of even expanded production in this marketing year. In the face of this what action can we take? Of course we can let the situation drift on and let the farmers get $3.11 a hundredweight, and we can say, "Let them learn their lesson, and then come back and say, 'We want a mandatory program,' " or we can today take some effective action to alleviate the burden on the Government, develop some experience with a diary program, and improve farm income. We can see to it that what is paid out by the Government in the way of dairy price supports goes to the farmer and is not wasted in storage charges and in meeting the cost of deterioration and waste.

The House committee bill provides a voluntary program with payments to be made to producers who agree to reduce their marketings. It imposes no quotas. It does not provide penalties.

My amendment retains the House proposal, but it is my opinion that it is not sufficient to meet either the long-range problem in the dairy industry or even to be effective as a short-range solution. But it does offer some incentive to help achieve what all the evidence and all the data suggest might be accomplished—at least a limited reduction in the volume of production.

The House bill would permit the Commodity Credit Corporation to enter into agreements with producers who agree to reduce the marketing of their milk and dairy products below either their 1961 marketings or their current level of marketings.

Producers who cooperate must reduce their marketings by not less than 10 percent nor more than 25 percent, or 7,500 pounds of milk for any quarter of the marketing year. Cooperating producers will be compensated for that reduction, but the payments shall not exceed, first, $2.50 a hundredweight; or, second, that amount which the Secretary determines necessary to secure a reduction in marketing, or, third, the cost of acquiring an equivalent quantity of dairy products.

The House bill further provides a procedure by which marketing agreement orders can be adjusted so that the reduction of the volume of production of any producer shall be considered as made from the lowest class use under the marketing orders and agreements, thereby protecting his share in the highest use class of milk.

Finally, agreements are to be limited so as not to bring about a reduction in any of the 15 districts of more than 10 percent of the total marketing in that district in the preceding year. These, I believe, are important adjustments which are necessary, whether my proposal is adopted or not.

The amendment I offer incorporates that section of the House bill, but it goes beyond and provides the Secretary of

Agriculture with an additional procedure—which he is free to use but is not required to use—in order to reduce the volume of production of dairy products which must be supported by the Government.

The Secretary would be authorized under my amendment to make supplemental payments to producers of milk for manufacturing purposes. In addition, he would be authorized to make surplus reduction payments. The amount of such supplemental payments may not exceed the difference between the U.S. average price at wholesale of milk for manufacturing and 90 percent of the parity price for that quantity of such milk. In effect, the amendment would give the Secretary authority to adjust compensatory payments between 75 percent and 90 percent of parity.

The Secretary could determine the level of payments required to effect a reduction. It could be, for instance, at $3.40 per hundredweight. Those who do not enter the voluntary program will operate under existing law and receive price supports of 75 percent of parity, or about $3.11. But those who cooperate in meeting the problem of surpluses would be assured of a somewhat better price than those who do not enter into agreement.

Mr. President, I should like to return to the parallel with the emergency feed grain program. Under that program we provided payments to farmers for their idle acres. At the same time the farmer was assured a support price above the market price.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. TALMADGE. Do I correctly understand that the amendment proposed by the distinguished Senator from Minnesota is purely voluntary in its scope?

Mr. McCARTHY. It is entirely voluntary.

Mr. TALMADGE. It does not in any way purport to set up a quota on milk, either regional or nationwide, so far as production is concerned?

Mr. McCARTHY. No; it would not set up any such quota.

Mr. TALMADGE. It proposes to pay compensation to farmers who voluntarily reduce their milk production. Is that the idea?

Mr. McCARTHY. It would, on the one hand pay them up to $2.50 per hundredweight for reducing production. They would not have to be paid that much, because the Secretary could set the figure lower than that. On the other hand, it would provide for increased payments for those who reduced their production by 10 to 25 percent.

Mr. TALMADGE. Does the Senator have any idea as to the cost of his proposal to the Government?

Mr. McCARTHY. It would depend on the measure of compliance. There is a possibility that it might save the Government something like $50 million. Another estimate is that it would not result in any increase of cost beyond what it costs to carry the existing program.

Mr. TALMADGE. There would be no additional cost to the Government if the amendment were adopted?

Mr. McCARTHY. If those in the Department of Agriculture who have examined it are correct, there should be no increase. As they see it, there should be no increase; and certainly there would be no increase above the cost of carrying the existing program. The Secretary can adjust the rates of payments.

Mr. TALMADGE. In the event that the amendment is agreed to, what will prevent farmer A from reducing his production, benefiting from the terms of the amendment, and then lending or renting his cows to farmer B, who will increase his production?

Mr. McCARTHY. Of course this is a problem. This difficulty also exists in the House committee bill. There is the possibility of improper transfers.

Mr. TALMADGE. Therein lies the danger, I believe. There is much merit in the Senator's position. It seems to me that unless some method is found to keep the farmer from merely letting his neighbor, son-in-law, or some other member of his family have his cows and milk them while he himself reduces his own production, not much reduction could be achieved under the Senator's amendment.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. PROXMIRE. It is my understanding that the Senator from Minnesota provides that the Secretary of Agriculture can establish administrative procedures to prevent the transfer of cows.

Mr. McCARTHY. The House bill which I have incorporated in my amendment has a provision in it to the effect that the Secretary of Agriculture shall have authority to assure that a producer's reduction is not offset by the transfer of milk cows for such purpose. Such a provision might be difficult to enforce.

Mr. TALMADGE. I was about to ask the Senator how it could be enforced.

Mr. McCARTHY. I do not have it spelled out. However, if we are to have a voluntary program, it seems to me the only way we can have it is in this way. The alternative is complete control.

Mr. TALMADGE. I thank the Senator, and I compliment him for his desire to assist the dairy farmer. Having sat with him on the Committee on Agriculture and Forestry for some years now, I know of his intense desire to assist the dairy farmer.

Mr. McCARTHY. I thank the Senator from Georgia.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. MUSKIE. I believe I understand this point clearly from the Senator's presentation. Nevertheless I should like to nail it down, if I can. There would be no penalty or disability attached to any dairy farmer who did not choose to participate in the program.

Mr. McCARTHY. None whatsoever. Instead of payments for dairy products which go into storage, the tax money which might be spent would be paid in two ways. First, it would be paid for the reduction of the volume of milk produced, up to $2.50 per hundredweight. On the other hand some portion could be paid out in supplemental payments in such amounts as the Secretary would determine, for the most part directed to the farmer. The price to the consumer would not be raised, since the supplemental payment method is proposed. The best estimates are that the cost to the Government under this program would be no greater than at the present time, and might be significantly reduced.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. HUMPHREY. I think it is fair to say that in connection with any of these proposals, when we are wrestling with dairy production and dairy prices, there are many difficulties because of the nature of the dairy production and dairy farming. It is my view that if we are to prevent the transferability of cows from one farmer to another, or even from a farmer into the stockyards and back to the farmer, it is necessary to have some rather severe strict controls, including allotments.

Obviously the Senate is not prepared to accept that kind of provision. We had a vote on the Proxmire proposal, which included some allotments. It was an emergency proposal. It was limited. The vote was taken, and we know what the attitude of the Senate is.

The next question is, Do we want to continue with the present program? My colleague has made it crystal clear, as did the Senator from Wisconsin, that the present program piles up more and more surpluses in the hands of the Government and really endangers the future of dairy production.

If we were to have 110 billion pounds of milk production in the coming year, what would we establish as the base period when we get back to the point where we wish to establish some order? Are we going to cut dairy production back 20 billion pounds as a start? If we do that, we shall have no program. My colleague from Minnesota has offered a program, and I wish to review it with him, to reduce it to its simplest terms. First, it is a voluntary program.

Mr. McCARTHY. Yes.

Mr. HUMPHREY. It has no allotments.

Mr. McCARTHY. No allotments.

Mr. HUMPHREY. It has no penalties.

Mr. McCARTHY. No penalties.

Mr. HUMPHREY. It has incentives. Is that correct?

Mr. McCARTHY. It has incentives.

Mr. HUMPHREY. For the reduction of production.

Mr. McCARTHY. For the reduction of production. It provides, first, payments for not producing, up to $2.50 a hundredweight. On the other hand, it gives the Secretary of Agriculture authority to increase the payments above 75 percent of parity to those who voluntarily reduce their production from 10 to 25 percent.

Mr. HUMPHREY. So on the one hand, when a farmer reduces production to a certain percentage, he gets a pay-

ment for reduction, and he also gets payment in the form of a better price for himself, in terms of better income.

Mr. McCARTHY. On the remaining production.

Mr. HUMPHREY. On the remaining production, which he can call a type of reduction payment or compensatory payment.

Mr. McCARTHY. In the same way as we proceeded under the emergency feed grain program.

Mr. HUMPHREY. Exactly. Then is it not true that the Senator's proposal would not increase consumer costs?

Mr. McCARTHY. It would not increase consumer costs, because the supplemental payment provision would allow the Secretary to make the payment outside of normal market channels. There should be no reflection of this in the price of butter, milk, cheese, or any product of manufacturing milk.

Mr. HUMPHREY. The cost which the Senator outlines would not add to the stocks in Government warehouses, would it?

Mr. McCARTHY. It would not add to the stocks; it would prevent an additional accumulation of dairy products in Government stocks; and the estimate is that it would not cost any more than the existing program. The estimates have been that it could be many millions of dollars less expensive, and that between $150 million and $200 million would go directly to the farmers rather than into dairy products for storage.

Mr. HUMPHREY. I think the Senator has presented a reasonable, acceptable, modest proposal. I believe Senators ought to ponder what the amendment contemplates. First, if we continue with the present program, we shall get into more and more trouble costwise, to producers, to the Government, and to consumers. Second, the program outlined by my colleague from Minnesota, while it may not be the final answer—and he does not propose it as such; he proposes it as an interim program, until the committee of which he is a member can hold further hearings and make a further evaluation of the dairy problem—would afford a means for the farm producer to get better income and make him at least worthy of being within the farm producer group. Other producers are to get better incomes. The cotton producer, the rice producer, the wheat producer, and the feed grains producer are all under this program. They will be benefited.

The Senator from Minnesota proposes that if a farmer cooperates to reduce his production, if he disciplines himself voluntarily, he shall be rewarded with a better price for what he does. At the same time he will not be adding to Government stocks. Also, at the same time the consumer will not have to pay more in the grocery store, the chainstore, the supermarket, or the dairy shop.

I believe there is another point which needs to be brought out. It is the Department's estimate that if the worst possible development should occur under the McCarthy proposal, it would not cost any more than the present cost to the Government, but would provide more income to the farm producer, and he would spend the additional income to generate commerce, employment, industry, and possibly some revenue for the Treasury.

I do not see how we can really leave a farm bill without trying to do something constructive for the dairy farmer.

My colleague from Minnesota knows that I believe his proposal not only has genuine merit but goes much deeper. It involves a question of equity and social justice. We cannot ignore a group in the economy that has taken the biggest licking, the biggest cut in income of any single farm group within the past year. That is why I supported the original Proxmire proposal. I told the Senator from Wisconsin I did not think his amendment had all the ingredients of a full, total program, and that it had its limitations. He was the first to recognize it.

I have introduced a proposal—a long-range proposal—on behalf of my colleague has made a worthy proposal, and and myself. We do not plan to have it adopted on the floor of the Senate. There is no need to try to go through the motions. However, I think my colleague has made a worthy proposal, and I appeal to Senators from other parts of the country to give us at least some breathing time, a working period, in which to iron out certain difficulties. I believe the McCarthy amendment would accomplish that purpose, and I compliment my colleague for offering it.

Mr. McCARTHY. Let me give an example of how my proposal would work in the case of a farmer who markets 100,000 pounds of milk a year.

As the program now operates, the Commodity Credit Corporation can be expected to purchase about 10 percent of this amount, or 10,000 pounds, in a single marketing year. With a support price of $3.11, it costs the Commodity Credit Corporation about $4.15 for each 100 pounds to purchase this surplus, plus handling and storage costs.

Under my amendment, the producer might agree to reduce his production by 10 percent and become eligible for payments. For reducing production he could receive payments up to $2.50 a hundred pounds, or a payment of $250 if he reduced his production by 10,000 pounds. This would keep his net income at exactly what it was if he were producing 10,000 more pounds of milk. In addition, there would be $165—the difference between $415 and $250—which could be used to increase his income on the milk he produced. That would be $165 with which to work on the income side of the production of the particular farmer.

The $415 cost under the present program, if all of it were paid to the farmer on 90 percent of his production, instead of being used to buy butter and place it in storage, would actually increase his return to $3.57 a hundred pounds—an increase from $3.11. This would increase his net income, if he complied to the full extent, from $150 to $200 above that which he gets at the present time.

If he produced it all and got $3.11, he would receive about $3,110 in income for the year. If he participated fully in this program, the $250 paid to him for cutting down production and the other $165 by way of supplemental payments, the income on milk alone would be $3,213, or something more than a $100 increase.

If we take into consideration the reduction in feed costs and the cost of handling, his income would be increased from $150 to $200 a year, as a result of this program, with no increase whatsoever to the Government.

I think this example, applied to a very small producer, is an indication of how, depending upon compliance, the proposal would affect the total dairy industry, and how the Government program would be benefited.

Mr. PROXMIRE. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. PROXMIRE. I wholeheartedly and enthusiastically support the amendment of the Senator from Minnesota. We have seen in the past few days that a large number of Senators are opposed to mandatory controls. They showed that yesterday in their vote, and they showed it even more emphatically today in their vote on my amendment. They oppose controls, even though they are voted voluntarily by two-thirds of the farmers themselves.

As the Senator has said, his amendment provides no quotas or restrictions; compliance would be voluntary.

Second, an even larger number of Senators are deeply concerned about the cost of the farm program. All of us are concerned with the consequences if programs are not adopted which will reduce costs sharply.

The merit of the amendment of the Senator from Minnesota is that it is voluntary, and can reduce costs. In connection with the reduction of costs, the great merit of the proposal of the Senator from Minnesota is that it puts the Secretary of Agriculture in a position where he can use his judgment and make payments up to $2.50 a hundredweight. He also would be enabled to make a judgment concerning production payments between $3.11 and a higher price, so it would be possible for the Secretary of Agriculture to tailor the program so that, in the first place, he could make certain it would cost no more. He could also provide a balance between the incentive payment to the farmer to reduce his production, which cannot result in an extra cost to the Government. So in this sense, it seems to me the amendment provides an opportunity for the Secretary of Agriculture to show his administrative ability and save a substantial amount of money, while increasing farm income. I think we agree that the Secretary of Agriculture earnestly wishes to do both those things.

It seems to me that we ought to underline and emphasize the fact that at present the dairy farmer has no opportunity to increase his income significantly except by increasing production. When he does so, a terrific burden is placed upon the taxpayers. He now gets a price support of 75 percent, which is very low, having been cut 10 percent only 2 months ago, so he is suffering seriously. The proposal of the Senator from Minnesota would provide him an opportunity to increase his income. In view of what happened in the Senate yesterday, if the dairy farmer is not

accorded that opportunity, he will be at a serious disadvantage.

I also wish to emphasize that the Senator has offered a practical amendment.

The House has already considered this, and has accepted a similar provision as part of its version of the bill.

This is not a proposal which is far out or has not been given careful consideration. It has been given careful consideration by the House. The administration itself included in its proposal a similar provision. It is true that it related to a mandatory program, but I would say that in a sense it was a key part of the provision proposed by the Department of Agriculture, and the amendment of the Senator from Minnesota would preserve that.

Finally, Mr. President, the amendment of the Senator from Minnesota should be adopted because the alternative would be so bad—very bad for the farmers and very bad for the taxpayers. Furthermore, as the Senator from Minnesota has pointed out, the consumer would not have to pay a nickel more. Just as much milk would be sold, and at as low a price.

So I warmly support the amendment of the Senator from Minnesota. I believe it is a very good one.

Mr. McCARTHY. I thank the Senator from Wisconsin.

Mr. President, I think this amendment will bring us as close as we can come to the desired goal, without imposing mandatory controls.

The point the Senator has made is a very good one, as regards how to avoid such transfers. I think the House version of the bill is about the best we can do with this kind of a program.

Insofar as the possibility of such transfers is concerned, I believe there are economic forces which operate to prevent them. One is the fact that at $3.50 a hundredweight, there would be much more incentive for many farmers to expand their operations. This amendment will hold down the lid.

In the second place, the program under the amendment would be a temporary one. If it continued for 9 months, some farmers probably would proceed to get rid of one or two cows, or somehow to cut down the intensity of their dairy operations, until they could see what happened after the 9-month period. But in such cases the Secretary of Agriculture, working through the local committees, certainly would be in a position to know who was attempting to circumvent or violate the law, and would be able to take steps to meet that problem.

Mr. PROXMIRE. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. PROXMIRE. This amendment would be a safety valve.

Mr. McCARTHY. Yes, it would. Some say that under such a provision, many farmers would sell some of their cows, decrease their operations, and receive benefits accordingly; but that they would also transfer those cows to other farmers, who, in turn, would receive the regular payments, and thus the result would be an increase in the cost. But, of course, if the Secretary of Agriculture found there were such "slippage," he would be able to take the necessary steps to circumvent it.

Mr. PROXMIRE. And if the Secretary found that the program could not be effectively administered, he would be in a position to reduce the $2.50 payments and the other payments, so that there could not be a significant increase in the cost to the Government. The Secretary of Agriculture has the necessary tools, and he is given the needed discretion in order to be able to protect the taxpayers and not permit the program to result in runaway costs.

Mr. McCARTHY. The Senator from Wisconsin is correct.

Some may be able to conceive of a kind of massive violation, under the act, in which case the cost might rise and the objectives might not be very fully met. But I believe that could happen only in one's imagination, but not in fact.

Therefore, Mr. President, I hope my amendment will be adopted.

I thank my colleague [Mr. HUMPHREY], the Senator from Wisconsin [Mr. PROXMIRE], and the other Senators for their contributions to the debate.

I reserve the remainder of the time under my control.

Mr. ELLENDER. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 minutes.

Mr. ELLENDER. Mr. President, I dislike to oppose this amendment.

However, as I stated a few hours ago, the purpose of the Committee on Agriculture and Forestry is to study the dairy program, in the hope of getting some permanent legislation.

As the Senator from Minnesota has stated, this amendment calls for a temporary program, and supposedly a voluntary program; and the hope is that it might save the Government some money. I should like to view the amendment in that light. However, knowing how farmers have acted in the past, in connection with these programs, when they tried to get all they could from them, I doubt that the farmers would feed their cows less, in order to produce less milk. In my opinion, the temptation would be for them to dispose of cows, so as to reduce their production; and the cows thus disposed of might be sold to neighbors, and the neighbors could obtain the benefits previously available to the vendors.

The average production of a cow in the United States, as I recall, is approximately 7,000 pounds of milk; and a farmer who had a cow which was producing 7,000 pounds of milk could dispose of the cow, and could obtain from the Government $175, in payments, at $2.50 a hundred; and the cow could be sold to a neighbor, and the neighbor could obtain from the Government $217.70 for producing milk—assuming that the cow would then produce the same amount that it did when it was owned by the other farmer.

On the other hand, the amendment contains a provision for the making of additional payments to farmers who would make this cut. In other words, such a farmer would be paid at the rate of $2.50 per hundred pounds, for every 100 pounds he reduced his production; but for the rest of his production, the Secretary of Agriculture would be empowered, under this amendment, to raise the price—the price on the rest of the farmer's milk production—or to give him compensatory payments, which could go up from $3.11 to $3.70 a hundred pounds.

So, Mr. President, for the life of me I cannot understand how the Government would gain by this amendment; and in view of the fact that the program would be a voluntary one, and there would be no method by which farmers could be prevented from selling their cows or from making their cows produce less, I doubt that the program would have the benefits which have been described by the Senator from Minnesota.

I wish to reiterate that the Committee on Agriculture and Forestry proposes to make a study of the milk program from now until next April, in the hope that before April 1 it will be able to come forward with a plan which will be of benefit to the producers of milk, but at the same time will reduce the excessive cost to the Government.

So, Mr. President, I shall ask Senators to vote against this amendment.

The PRESIDING OFFICER. Do the Senators who are in charge of the time on this amendment yield back the time remaining under their control?

Mr. McCARTHY. I do.

Mr. ELLENDER. I do.

The PRESIDING OFFICER. All remaining time on the amendment of the Senator from Minnesota has been yielded back.

The question is on agreeing to the amendment of the Senator from Minnesota.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

Mr. ELLENDER. Mr. President, at this time I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CANNON in the chair). Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Minnesota [Mr. McCARTHY]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUSCHE (when his name was called). On this vote I have a pair with the Senator from Alaska [Mr. GRUENING]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. METCALF (when his name was called). Mr. President, on this vote I have a pair with the junior Senator from Oregon [Mrs. NEUBERGER]. If she were present and voting, she would vote

"nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Wyoming [Mr. HICKEY], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. MCGEE], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Mississippi [Mr. STENNIS], the Senator from New Jersey [Mr. WILLIAMS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in the family.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Louisiana [Mr. LONG], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Colorado [Mr. CARROLL], and the Senator from Missouri [Mr. LONG] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from California [Mr. KUCHEL] is necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate.

If present and voting the Senator from California [Mr. KUCHEL] would vote "nay."

The result was announced—yeas 21, nays 60, as follows:

[No. 62 Leg.]

YEAS—21

Bartlett	Jackson	Morse
Burdick	Kefauver	Moss
Case, S. Dak.	Kerr	Mundt
Douglas	Long, Hawaii	Muskie
Hart	McCarthy	Proxmire
Hartke	McNamara	Young, N. Dak.
Humphrey	Monroney	Young, Ohio

NAYS—60

Aiken	Dirksen	Morton
Allott	Dodd	Murphy
Anderson	Dworshak	Pastore
Beall	Eastland	Pearson
Bennett	Ellender	Pell
Bible	Engle	Prouty
Boggs	Ervin	Randolph
Bush	Fong	Robertson
Butler	Goldwater	Russell
Byrd, W. Va.	Hayden	Saltonstall
Cannon	Hickenlooper	Scott
Capehart	Hill	Smathers
Carlson	Holland	Smith, Mass.
Case, N.J.	Hruska	Smith, Maine
Chavez	Javits	Sparkman
Church	Jordan	Symington
Clark	Keating	Talmadge
Cooper	Mansfield	Thurmond
Cotton	McClellan	Tower
Curtis	Miller	Williams, Del.

NOT VOTING—19

Byrd, Va.	Kuchel	Neuberger
Carroll	Lausche	Stennis
Fulbright	Long, Mo.	Wiley
Gore	Long, La.	Williams, N.J.
Gruening	Magnuson	Yarborough
Hickey	McGee	
Johnston	Metcalf	

So Mr. MCCARTHY's amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

ORDER OF BUSINESS

Mr. THURMOND obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I yield to the majority leader.

Mr. MANSFIELD. Mr. President, the minority leader and I have discussed with various sponsors of amendments the question of how much time they would like to speak on the amendments. We have also talked with the ranking minority member of the committee and the chairman of the committee. At this time, on behalf of the minority leader and myself, I request unanimous consent that instead of 2 hours to be allowed on each amendment, 20 minutes be allowed on each amendment, 10 minutes to a side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. HICKENLOOPER. Mr. President, reserving the right to object——

Mr. ROBERTSON. Mr. President, reserving the right to object, I should like to make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROBERTSON. What was the request?

Mr. MANSFIELD. I requested that 20 minutes be allotted to each amendment, 10 minutes to a side. I point out that 4 hours of debate will be available on the bill.

Mr. ROBERTSON. Mr. President, reserving the right to object——

Mr. MANSFIELD. Mr. President, the Senator from Iowa requested the right to object first.

Mr. HICKENLOOPER. Mr. President, I am always glad to accommodate my distinguished friend, the Senator from Virginia.

Mr. THURMOND. Mr. President, I yield to the Senator from Virginia.

Mr. ROBERTSON. Mr. President, the Senator from Virginia observes that yesterday his heart was wrung by the tears shed over the principle of private enterprise. Today he intended to offer an amendment which would give those who produce feed grains an opportunity to operate under the traditional system of private enterprise. But he finds now that the burning issue is, How will the farmers give us any credit if we do not give them a 75-percent support program?

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. THURMOND. I yield.

Mr. MANSFIELD. On the basis of the reservation of objection, I point out that the Senator from Virginia has already used about 15 minutes on his amendment. If he wants more time on the bill, he will get it when his amendment is called up.

Mr. ROBERTSON. Under the circumstances, I will not object.

Mr. HICKENLOOPER. Mr. President, I wish to find out where I am now. I reserved the right to object, and I am still reserving it. In connection with consideration of the agriculture bill, I wish to read into the RECORD a letter and do not want to be blocked in my effort to do so.

Mr. MANSFIELD. The Senator will not be blocked.

Mr. HICKENLOOPER. I have no particular objection to his request. I desired to obtain 3 minutes or 5 minutes to present the particular subject I have in mind.

Mr. MANSFIELD. The Senator has our collective assurance.

Mr. HICKENLOOPER. Do I have a sufficient bludgeon over the good graces of the majority leader by threatening a little in saying that if I do not get the time now, I will object? I do not think I will object.

Mr. MANSFIELD. The Senator will get the necessary time.

Mr. HICKENLOOPER. I thank the majority leader. I will trust his generosity.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. MUNDT. Mr. President, reserving the right to object, may I inquire how much time remains on the bill?

The PRESIDING OFFICER. The opponents have remaining 76 minutes and the proponents have 110 minutes.

Mr. MUNDT. Would there be a disposition on the part of our combined leadership to expand substantially beyond the 10-minute limitation debate on any one amendment which might appear to be controversial, either by its proponents or the opponents?

Mr. MANSFIELD. Of course.

Mr. CASE of South Dakota. Time is available on the bill.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. THURMOND. I yield.

Mr. DIRKSEN. There were 27 amendments pending at noon today. I canvassed the author of every amendment, I believe. Some were willing to agree to use only 5 minutes on a side. Others agreed that they would not exceed 10 minutes on a side. The majority leader's unanimous consent request is based upon that canvass. I think the time would be adequate. I hope there will be no objection to the request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I thank my colleague, and I thank the Senator from South Carolina.

Mr. THURMOND. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The amendment of the Senator from South Carolina will be stated.

The LEGISLATIVE CLERK. The Senator from South Carolina proposes an amendment for himself and Messrs. EASTLAND, BYRD of Virginia, ROBERTSON, HOLLAND, SMATHERS, and MCCLELLAN, that, beginning on page 2, line 1, to strike out all through page 8, line 20, and to redesignate other titles and sections accordingly.

The PRESIDING OFFICER. The question is on the amendment of the Senator from South Carolina.

Mr. THURMOND. Mr. President, I think some time would be saved if I could obtain an agreement for a yea-and-nay vote.

The yeas and nays were ordered.

Mr. HICKENLOOPER. Mr. President, this morning I received a letter which I believe is pertinent to the basic issue before the Senate. It is from a man knowledgeable in agriculture. I think it would be helpful to the Senate. I should like to read the letter into the RECORD, provided the time to do so is not charged to the time available to the Senator from South Carolina. If I could obtain about 5 minutes on the bill, I think I could read the letter in that time.

Mr. THURMOND. Mr. President, I shall be pleased to yield to the distinguished Senator from Iowa on the condition that the time he needs will not be taken from the time available to me on the amendment.

Mr. HICKENLOOPER. The time will be charged to the time on the bill, if necessary.

The PRESIDING OFFICER. Is the minority leader willing to yield time on the bill to the Senator from Iowa?

Mr. DIRKSEN. Mr. President, I yield 5 minutes on the bill.

Mr. HICKENLOOPER. I thank the Senator.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 5 minutes.

Mr. HICKENLOOPER. Mr. President, this morning I received a letter from a very prominent and extremely knowledgeable and highly successful farmer in Iowa.

I was unable to communicate with the writer of the letter this morning by telephone in order to obtain permission to use his name. Therefore, I shall eliminate his name from the RECORD, but at a later date, if it is satisfactory with him, I will make public his name. He discusses a couple of points. I should like to read the letter into the RECORD for the consideration of Senators.

The writer has never been known as an enthusiastic Republican. If I told Senators his name, they would recognize that fact. The letter, which is addressed to me, reads as follows:

MAY 23, 1962.

Senator BOURKE HICKENLOOPER,
From Iowa,
Senate Office Building,
Washington, D.C.

DEAR BOURKE: I suggest that you make a rather violent attack on the Commodity Credit Corporation and on Secretary of Agriculture Freeman on one particular part of the Billie Sol Estes case.

The radio yesterday was full of the fact that the Government is going to terminate the grain storage of the Billie Sol Estes organization completely but in "an orderly fashion"—over a period of the next 18 months. The radio further stated that the Billie Sol Estes complex had in storage at the present time some 42 million bushels.

Now if they take 18 months, it means that the Billie Sol Estes complex probably will collect an average of 1 year's storage on 42 million bushels for 1 full year—something like $5 million. It is a gift to commercial solvents who have an assignment which will come in right behind the Government claim for $500—

I believe that is a misprint—

in cotton allotments.

Every grain storage man in Iowa—and mind you, this includes a whale of a lot of farm cooperative elevators who have great numbers of members—every one of them will be completely outraged about taking 18 months to liquidate the Billie Sol Estes storage income when they have all been forced to ship 70 percent of the corn and other agricultural products which they have been storing for the Government. In Iowa, Commodity Credit has liquidated 70 percent of the storage in 90 days—now they are proposing to give a man indicted for conspiracy, thievery and everything else 18 months. It's preferential treatment still continuing—preferential treatment of the great magnitude as to be attackable.

Everybody that has been reading the papers is familiar with the case—everybody that is listening to the radio is familiar with it—and I can think of no thing that would be so easy for you at this moment nor so logical.

To hear the news reports, you would think 18 months is the normal and required time for liquidating a smelly situation. The Government announcement was that they were liquidating "in the usual orderly fashion."

The only advantage I can see to the Billie Sol Estes situation is that it probably will be helpful in stopping Freeman's ridiculous request for mandatory controls of feed grains.

Successful farming is out with an interview (which I have not as yet seen) which according to all reports exposes Freeman's and Cochrane's desire for a completely controlled agriculture—where a farmer almost has to have a license to farm. The thoughts of putting ourselves under dictatorial controls coming at the same time as the exposures of the whole Billie Sol Estes affair ought certainly wreck Freeman and his desire for dictatorial power.

I think it's good politics for you to attack this preferred treatment in this matter of the liquidation of his grain storage holdings—but I not only think it's good politics—I think it's your duty as a Senator and as a member of the Agricultural Committee to just raise hell about it.

Sincerely,

——— ———.

As I said, this man has never been known as a dedicated Republican. He is a very astute fellow, and he is quite observant. In his letter he suggests that I should raise hell about it. I take this method of raising hell about it, by reading the letter into the CONGRESSIONAL RECORD.

This is an utterly atrocious and inexcusable administrative procedure. If they are going to take 18 months to liquidate these holdings, when our storage people are being put out of business in 90 days by having their elevators swept clean, I cannot think of any stronger terms to use.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. CASE of South Dakota. Does not the Senator from Iowa think it would be much fairer and in accord with greater equity if this grain were returned to elevators in Iowa and South Dakota and Oklahoma and elevators in other areas from which it was taken, so that they could earn this money during the next 18 months?

Mr. HICKENLOOPER. Yes; however, I do not believe that our elevator operators, because their elevators have been completely denuded by the Department of Agriculture, could profit from it. Most of them have gone broke. They are out of business.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. With the consent of the Senator from South Carolina, I yield 1 extra minute.

Mr. MUNDT. I take this opportunity merely to point out that when the news release was issued by the Department of Agriculture that it was canceling the storage contracts insofar as Mr. Estes' grain elevators were concerned, I was led to believe that this was going to be an expeditious action on the part of the Department of Agriculture. On that basis I took occasion to commend the Department of Agriculture. I said that while an ounce of prevention would have been worth a pound of cure, I was glad that the Department was taking its action, and I was pleased to commend the Department for taking prompt action to cancel the vast grain storage contracts enjoyed by the Estes enterprises.

Mr. President, I now take this opportunity publicly to rescind my commendation and congratulations to the Department. If they propose to take 18 months to take action and implement these cancellations in the Estes case, it means that the Department of Agriculture is putting itself in collusion with Billie Sol Estes and the deceit and trickery which he practiced. We have evidence that even in Texas the competitors of Billie Sol Estes, who played the game straight, also find their storage elevators pretty will depleted. If the Secretary of Agriculture is going to say, on the one hand, that he is canceling the lush contracts with Estes, and then delay this procedure for 18 months, so that millions of dollars of extra earnings can accrue to friends and associates of Estes who are included among his creditors, through that delay, I certainly want to retract the congratulations I offered the Department under the false assumption it was acting expeditiously. Instead it now appears it demonstrates still another act of favoritism for those involved in the Estes program of deception.

Mr. LAUSCHE. Will the Senator yield?

Mr. DIRKSEN. I yield 1 minute to the Senator from Ohio, with the consent of the Senator from South Carolina.

Mr. THURMOND. I yield, with the understanding that the time does not come out of my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUSCHE. My remarks will not be directly related to what has been said, except that they do relate to the policy of domination and control of the economy. I wish to read from page 33 of John Kenneth Galbraith's "Economic Development in Perspective":

> If we take as the measure of the amount of planning the proportion of all current resources—gross national product—fully controlled and disposed of by the state, about 20 percent of the American economy is planned. For India the comparable figure is 13 to 14 percent. The market economy of the United States has a larger public sector than the socialist economy of India.

This book was written in 1962, and states that on the Federal level we plan and control 20 percent of the economy. I do not know by how many percent this will be increased through these com-

pulsory, inescapable, ironclad controls that are contained in the pending bill, but it will be more than 20 percent.

WITHHOLDING TAXES ON INTEREST AND DIVIDENDS

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the RECORD a well-reasoned, documented statement on the withholding of taxes on dividends and interest, prepared by George E. Barnes, representing the Midwest Stock Exchange, filed with the Committee on Finance; a letter which Mr. Barnes addressed to the Secretary of the Treasury; and two articles on the same subject, one published in the Chicago American, and the other in the Chicago Daily News.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Hon. C. DOUGLAS DILLON,
Secretary of the Treasury,
Treasury Department, Washington, D.C.

DEAR MR. SECRETARY: Almost a year ago, on May 23, 1961, to be exact, I called your attention to a most misleading set of statistics in the Treasury Department's presentation to the Congress of its tax program. This concerned the erroneous allegation that the 4-percent dividend credit and $50 exclusion reduced the percentage of the so-called double tax only 8 percent for a low-income individual shareholder while the percentage benefit was 41 percent for a high-income shareholder, when, as a matter of fact, tax savings under the 4-percent dividends received credit, disregarding the $50 exclusion, is 20 percent for dividends received by a small holder and only 4.4 percent for a person in the top income bracket.

It is indeed most disturbing to see you recently reintroduce to the Committee on Finance of the U.S. Senate the same set of statistics which are most misleading. Therefore, it is my hope that you will not fail to make an immediate correction. Also, I have been even more disturbed and surprised that you have approved giving the impression to the Congress and the public at large in your addresses that our citizens are cheating and chiseling taxes from dividends to a gross extent.

As you very well know, each and every annual dividend payment of $10 or more is conscientiously reported to you by corporations (most corporations report dividends on Form 1099 regardless of the amount). If there is any cheating taking place on dividend payments, you know just where it is happening and have every facility to enforce collections with the information at hand. Moreover, this is not a responsibility or prerogative to be shifted from Government to private enterprise.

Representing the Midwest Stock Exchange, I prepared and mailed earlier in the week a rather full statement on the impact of withholding on dividends and interest. I would appreciate your examining this statement most carefully. A copy is enclosed.

I have now had an opportunity to examine table 1 "Estimated dividend income of individuals not accounted for on tax returns for 1959," contained in your statement of April 2, 1962, to the Committee on Finance of the U.S. Senate to support a dividend gap of $840 million not reported by individuals. I find there is an obvious sizable discrepancy in this figure due to your underestimating at $880 million the total amount of dividends received by pension funds and other nontaxable organizations. For example, your estimates of $380 million dividends received by corporate pension funds is wholly unrealistic. The New York Stock Exchange reported in its 1959 survey $11.1 billion holdings of New York Stock Exchange listed stocks by such nontaxable institutions as of December 31, 1959. Based on a median yield of 3.8 percent for all New York Stock Exchange dividend paying listings for 1959, the payments would be $411.8 million, without any consideration to holdings of issues traded on other exchanges, bank, insurance and other over-the-counter issues and stocks of privately owned companies.

For colleges, foundations and other nontaxable organizations, the New York Stock Exchange reported $12.9 billion holdings of New York Stock Exchange listed stocks as of December 31, 1959, on which the dividends would aggregate $490.2 million, and compare with your estimate of $500 million, without any regard for other holdings mentioned above, and the fact that these tax-free organizations hold substantial amounts of preferred stocks on which the returns are relatively higher. Also, there has been a substantial shareownership of private corporations turned over to tax-free family foundations.

Inasmuch as only 58 percent of all dividend disbursements for the year of 1959 were made by New York Stock Exchange listed companies, it is safe to assume that these nontaxable organizations received their proportionate share of other dividend payments. Therefore, total holdings of stocks of these institutions is estimated to be $41.4 billion

$$\frac{100}{58} \times 24 \text{ billion}$$

on which the gross dividends for 1959 would aggregate approximately $1.6 billion based upon 95 percent holdings of common stocks returning 3.8 percent and 5 percent of holdings in preferred stocks returning 5.1 percent.

This accounts for $720 million of the estimated unreported dividend gap claimed by your office of $840 million. As I emphasized in the statement to the Committee on Finance of the U.S. Senate, there is an increasing amount of stocks being placed in the names of minors which would account for a sizable total of annual dividends not subject to tax.

May I please have the courtesy of an early reply for the reason that it is my plan to file a supplementary statement with the Committee on Finance to call the attention of its members to this continuing reliance on obviously erroneous statistics.

Cordially yours,

GEORGE E. BARNES.

CHICAGO, ILL.

STATEMENT OF GEORGE E. BARNES, REPRESENTING THE MIDWEST STOCK EXCHANGE, FILED WITH SENATE FINANCE COMMITTEE, APRIL 1962

As a student of Federal income tax legislation for the past 40 years, I have never been so gravely concerned, as now, over the proposal to withhold taxes on interest and dividends under chapter 25 of H.R. 10650, for the reason that it is an open invitation to fraud—corporate and individual—would impose completely needless hardships on people who can least afford them, and would be more likely to shrink net revenues to the Government than to increase them.

I appreciate very much the opportunity to file this statement. It is based upon long experience in preparation of income tax returns, filing hundreds of claims, and dealing with customers in the banking and investment business and also serving on National and State tax committees. For the record, I am senior partner of Wayne Hummer & Co., Chicago, past chairman of the Midwest Stock Exchange and a working director and member of the executive committee of the Suburban Trust & Savings Bank, Oak Park, Ill.—and I might add that my views have the support of my bank, as well as the Midwest Stock Exchange.

For your information, my first studies of Federal income taxes were initiated in 1918 when I prepared up to 1,000 individual returns as a public service in behalf of the banking institution which I served as auditor. For a number of years, the Chicago collector of internal revenue annually acknowledged by letter my service to a community of 25,000, then without Internal Revenue agents to help the taxpayers.

I still prepare from 75 to 100 returns each year for friends and business acquaintances, in order to keep abreast of the regulations and to be generally helpful in an increasingly complex and complicated field.

It has also been a source of satisfaction to me that the Congress has adopted, on more than one occasion, tax proposals that I submitted, which the record will indicate. I mention my personal interest and experience in Federal tax matters for the reason that only this past week, I had an experience with the Internal Revenue Service that vitally concerns the subject at hand in connection with examination and audit of a 1960 individual tax return which I prepared.

In a return which reported $31,700.85 in dividend income, the examining agent had no 1099 information returns to audit the dividend items, numbering 65. Individual dividend payments ranged from 76 cents to $4,151.25. He asked the taxpayer to produce any copies that had been saved by him from the individual companies. Further, I cannot recall any time in the past 5 years an examining agent having before him for audit purposes forms 1099, regularly furnished the Internal Revenue Service at great expense by corporations and others.

In the reporting of dividends and interest, which all companies so cooperatively carry out, we already have an effective means and basis to collect taxes. In this connection, it is gratifying to know that the Commissioner of Internal Revenue is taking steps to provide improved audit procedures through computer data processing, and I would like to see it extended to interest payments below $600.

May I make very clear to you that since the end of World War II, because of what amounts to continuance of an excess profits tax as high as 91 percent on individual incomes (although the corporate excess profits tax was repealed), it has been the practice of parents to make periodic gifts to children and grandchildren, to lower the heavy burden of income and estate taxes. This has been facilitated by the passage, by every State of the Union, of a "Gifts to Minors Act," making it easier for parents to make gifts of securities and cash.

But even prior to this innovation, thousands and thousands of transfers were made to children in the form of savings accounts and securities, to ease the tax burden and make a better education available. If the facts were known, a good portion of unaccounted for interest and dividends claimed by the Treasury would not be subject to income taxes. It will be of interest to you that one of our clients recently transferred about $3,000 in stock to each of 21 grandchildren and five children. Incidentally, this category alone would create a vast number of taxpayers to whom the Government would be obliged to make refunds under the proposed legislation.

There are undoubtedly illegal or suspect sources which fail to report certain dividend and interest income. But it will be found that those who are engaged in legitimate businesses and professions generally report these items very conscientiously.

The Treasury's estimate that there is a 91 percent compliance of dividend reporting in income tax returns is highly credible, and when the tremendous volume of dividend payments to elderly people and minors not

subject to income taxes is considered, this is a remarkable percentage, probably without equal anywhere else in the world.

Now I would like to list what appear to be, from my experience, the basic faults of the withholding provision of H.R. 10650.

Basic faults of interest and dividend withholding under chapter 25 of H.R. 10650:

Basic fault No. 1: Unjustified overwithholding of taxes.

Basic fault No. 2: Inefficiency, waste, and duplication imposed upon Government, business, and taxpayers to administer withholding.

Basic fault No. 3: A large segment of interest payments not covered by withholding.

Basic fault No. 4: Impractically and complication would cause a multiplication of administrative problems and serious interruption in operations of our security markets.

Basic fault No. 1: Unjustified overwithholding of taxes.

From my long experience in dealing with small stockholders and savings depositors, I am confident a large portion of the unjustly withheld taxes under the legislation would not be recovered, because of either ignorance or fear of making out a claim for refund incorrectly, or belief that it would cost more in time than the refund is worth. This is something to fear, inasmuch as it has been estimated that 8 million stockholders would be subject to overwithholding and the impact would fall most severely on those who can least afford it for these reasons:

Interest on savings accounts: The American Bankers Association took a sample survey last year of 300 commercial banks, which indicated a very large concentration of small savings accounts. It is interesting to note from this survey that two-thirds of the savings accounts in the reporting banks paid less than $15 in annual interest. Still another 15 percent paid annual interest from $15 to $45. If you will project this sampling to the 52 million savings accounts in the Nation, there are close to 35 million savings accounts in commercial banks alone earning interest of less than $15 a year. Need any more be said that this legislation would unjustly deprive thrifty people of their full earnings on their savings and result in untold losses and inconveniences? It is highly questionable whether most of these people would bother about refunds, and—by not doing so—they would incur losses.

Dividends on stocks: A 20-percent withholding rate is substantially more than the actual tax for the average shareholders for the following reasons:

1. The proposed plan does not consider the $50 annual dividend exclusion. For example, 25 percent of the shareholders of American Telephone & Telegraph receive less than $50 annually, and 50 percent of all these shareholders would be ineligible for quarterly refunds and would have to wait up to a year to get their money back.

2. There is no allowance made for the 4-percent dividend credit to individuals, which reduces the effective rate from 20 to 16 percent.

3. There is no provision for the 85-percent dividend credit on dividends received by another corporation. In other words, 20 percent would be withheld on dividends to other corporations, compared to an actual tax liability of 7.6 percent on large corporations in the 52-percent bracket, and only 4.5 percent for the small corporations paying a 30-percent rate.

4. The proposal to withhold on dividends and interest has been confused with wage and salary withholding, where proper allowances are made for marital, dependent, and medical deductions as well as age and retirement income credits. Even in the case of prolonged illness, wage withholding payments cease on the first $100 weekly compensation.

5. Tax-exempt organizations—such as churches, youth and character building agencies, welfare agencies, universities, corporate and union pension funds—may not claim exemption from dividend withholding under the plan. In other words, these organizations would be obliged to loan money to the Government without interest return each year by having 20 percent of their payments retained by paying corporations. These organizations, which operate on close budgets mainly from contributions and income from their investments, can ill afford to have their income reduced. Your attention is called to the fact that 8.7 percent of all ownership in publicly owned corporations is held by tax-exempt organizations, such as not-for-profit institutions and corporate pension funds.

6. The 20-percent withholding rate is unrealistic and is not geared to the actual liability of taxpayers of all types or a reasonable approximation thereof. For example, a person receiving $5,500, and claiming the standard deduction, would have a total tax liability of only $800, compared to withholding of $1,100. Retired taxpayers with extra medical deductions would be very adversely affected.

7. Banks, insurance companies, and other financial institutions receiving a high portion of their gross income from Government and corporate bond interest seldom retain 20 percent of their gross income after operating expenses. Consequently, they would be subject to a larger withholding than they could absorb (after credits for wage withholding and social security taxes), without impairment of working funds, and liquidity would thereby be vitally affected.

Basic fault No. 2: Inefficiency, higher costs, waste, and duplication imposed upon Government, business, and taxpayers in order to administer withholding.

The taxpayer as well as the Government would have no evidence or receipt for payments, which would result in total confusion. There would be required extensive and costly investigations and audits on the part of the Internal Revenue Service of all payers of interest and dividends to verify amounts not withheld, as well as records of corporations and banks to verify validity of millions of claims. Therefore, the plan contains many possibilities for loss to the Treasury due to inefficiency and/or fraud on the part of payers of interest and dividends. Recipients could well have a feeling of distrust, in the absence of any assurance or notification that tax payments were made. It is claimed that it will be a simple matter for a person to receive a refund by merely filling out a postcard or form and sending it to Uncle Sam. This statement is irresponsible, inasmuch as all cases where the Internal Revenue Service has no record of income-tax filings or payments would require a special investigation before the claim could be paid. Otherwise, it would be the same as giving the public a blank check to draw on the Government, which irresponsible people could abuse without detection, for the simple reason that it would be impossible under the proposal to support claims with any individual records of amounts withheld. This is the complete answer to quick refund advocates.

It would present a colossal problem for banks and savings institutions to determine the tax status of each depositor, and the execution of this would invade the private affairs of citizens and shift the burden and responsibility of tax collections from Government to private institutions. Eventually, these added administrative costs would be paid by the thrifty. It is estimated that the very minimum out-of-pocket expenses of the bank that I represent, to administer the withholding program, would be $1 per account. The postage on one mailing and return to 12,000 depositors, carrying savings balances aggregating $17,436,408, would be about equal to the total annual compensation provided of about 10 cents per account—for the privilege of holding funds temporarily. It is calculated that indirect supervisory costs to the bank for administering the program would also be substantial. This is contrary to the adequate compensation representations made by the Treasury.

Reporting of income on form 1099 by corporations and individual payers of interest and dividends provides the best means to insure maximum enforcement at minimum costs and confusion to business and Government. In my opinion, the outer limit of responsibility by business should be confined to providing regular informational reports to the Internal Revenue Service. You will always find that business firms are anxious to cooperate. The recent introduction of computer data processing by the Commissioner of Internal Revenue, to achieve more efficient audits and enforcement, is most welcome in this connection. Withholding would only add waste and duplication to this efficient effort.

Basic fault No. 3: A large segment of interest payments is not covered by withholding.

There is no withholding of interest on mortgages and private loans. This represents a much larger amount than interest payments on corporate bonds. The effect of withholding on owners of corporate and Government bonds would be to discriminate against them in favor of private lenders. This would force tax-exempt organizations and many individuals not subject to tax into other forms of investment that may not be so desirable or liquid. There could be a pronounced and adverse effect on the Treasury's savings bond program.

Basic fault No. 4: Impracticality and complication would cause a multiplication of administrative problems and serious interruption in operations of our security markets.

The problems of banks, trust companies and investment firms resulting from elimination or curtailment of use of shares in the names of a nominee, or what are known as "street certificates", would be staggering, since no exception is made and the full 20 percent is withheld under this legislation. As an example, banks and brokers acting as nominee usually receive one check from each corporation for a dividend payment, and the individual accounts are credited with the proceeds as the ownership appears, largely by automatic computers. If arbitrary withholdings are made, irrespective of the tax status of individual accounts, it would be necessary to register each certificate in the owner's name and process a multitude of additional items and checks by manual operations. With added costs to both banks and investment dealers occasioned by tax withholding, there would be no alternative than to increase service and/or commission costs to offset the burden.

Street certificates in many respects are the same to investment dealers and brokers as currency is to banks. Just as banks use currency to make change, so do street certificates facilitate transfers and deliveries of securities to customers or brokers and investment dealers. Also, it is not generally appreciated that street certificates, or nominee holdings, are used daily to make deliveries and settlements where security items of the seller do not reach the stock exchange clearing corporations on the contract date for one reason or another, because of distance or delays. There are also daily instances of street certificate substitutions for "not good delivery" items, comprising certificates in the names of corporations, trustees, estates and other nonnegotiable form, to expedite and facilitate daily settlements between buyer's and seller's broker. It should be obvious that the market machinery would be seriously clogged and impeded in case street certificates were eliminated or curtailed.

Under the proposal, all Government bond (excluding series E bonds) and corporate bond interest payments would be subject to 20 percent withholding, with no exceptions for individual and taxable corporate investors. This means that in the case of bond transactions, it would be necessary for the buyer to withhold from the seller 20 percent of any accrued interest to date of sale, since they would be obliged to pay 20 percent of the full coupon or payment on the next interest date.

This would impose many problems for bond dealers and banks. Investors would tend to delay transactions until the exact semiannual or annual interest payment date and create an accumulation of transactions with which banks and dealers in bonds could not cope.

It should be obvious that these withholding provisions would cause serious interruptions and instability of normal market operations in our bond markets. Even some taxable organizations such as banks and other large bond investors would wish to avoid overpayment of taxes by acquiring bonds between semiannual interest dates. Bond transactions would be further complicated whenever the seller is a tax-exempt organization, such as a church, school or charitable organization, inasmuch as buyers would object to making an outlay of 20 percent withholding tax on the full coupon when collected. For example, purchase from a tax-exempt organization of $100,000 par value U.S. Treasury 4-percent bonds 5 days before the interest would mean the buyer would pay the seller accrued interest of $1,956.04, but would collect only $1,600 ($2,000 less 20 percent) on the interest date, and would thus be required to resort to claims to recover the funds.

Conclusion: I could continue at length in regard to other complications and taxpayer problems to support opposition to withholding provisions of H.R. 10650. On the other hand, there can be no argument with the basic premise that each citizen should carry his fair and equitable share of the tax burden. On that premise, a minority of earlier witnesses have argued—with complete sincerity I am sure—that withholding of dividend and interest income is a desirable step toward tax equality.

Such witnesses, however well meaning, obviously have not had an opportunity to study the implications of the pending withholding proposal, or they fail to grasp its destructive potential. On balance, I believe that the principle as proposed is demonstrably inequitable, administratively impractical and wholly undesirable. Briefly and bluntly, its enactment would not encourage tax equality. But it would take us deep into the area of discriminatory self-defeating taxation in its most virulent form with consequent and perhaps crippling impairment of and respect for our entire basic revenue collecting processes.

[From Chicago's American, May 1, 1962]

THAT $840 MILLION DIVIDEND TAX GAP IS CALLED PHONY

(By Hal Thompson)

Congress is being kidded by Secretary of the Treasury Dillon into believing that a withholding tax on interest and dividend payments is necessary to collect $840 million in unreported dividend taxes. This charge was made by George E. Barnes, senior partner of Wayne Hummer & Co., and former chairman of the Midwest Stock Exchange.

In a press conference held in the board of governors' room of the Midwest Exchange, Barnes labeled the contention of the Treasury Secretary that $840 million in dividend taxes are going uncollected as being based on erroneous information. In fact he maintains that no gap exists between actual dividend tax payments and the sum which the Secretary estimates is due the Government.

The $840 million figure which the Secretary infers the Government is being cheated out of annually in the nonpayment of taxes on dividends actually represents nontaxable income, Barnes stated.

DIFFERENT TOTALS

Which incomes are nontaxable? Barnes pointed out that groups which fall in this category include pension funds, churches, foundations, colleges, and welfare funds.

Now as a matter of fact, Barnes revealed he had advised the Treasury Secretary in a letter he was placing in the mails, such nontaxable income really amounts to around $902 million annually and not the $840 million figure.

The former Midwest Exchange chairman presented statistics based on a 1959 New York Stock Exchange survey in support of his contention that the Treasury Secretary was using grossly misleading and erroneous statistics in his efforts to obtain congressional approval of the proposed 20-percent withholding tax on dividends and interest.

This survey showed that nontaxable organizations held $24 billion of New York Stock Exchange stocks in 1959. Of this total $11,100 million was held by corporate pension funds and $12,900 million was held by college, religious, and welfare funds.

Based on a 3.8 percent median yield, such investments should have netted corporate funds that year $411,800,000 in dividend income and the second group of nontaxable organizations $490,200,000 in dividend income. Thus the total nontaxable dividend income was $902 million, a sum which, of course, the Government has no tax claims to.

Barnes also presented other data tending to prove that the Government was presently collecting most of its taxes on dividend income. He pointed out that in 1959 5,948,378 dividend taxpayers reported dividend income; of this total 781,696 paid no taxes because their total income was too low.

ACCURATE FIGURE

Now in 1959, 6 million we'd say was a fairly accurate figure for the total number of individual stockholders in this country. The fact that all of them reported dividend income and most paid taxes on it we submit is pretty good proof that our present system of collecting such taxes is working rather effectively.

Barnes' statistical attack on the Treasury's logic in this issue we believe shoots it full of holes.

If there is no $840 million shortage in taxes as the Secretary alleges then why is a withholding tax on dividends and interest necessary and "in the public interest" at this time?

Before the Senate finally acts on this measure which already has passed the House we suggest that it look carefully into Barnes' allegations.

To this columnist they seem irrefutable.

[From the Chicago Daily News, May 2, 1962]

CATCHING THE TAX CHEATS

Proponents of withholding taxes on dividends and interest have been nailed on one misrepresentation and accused, very plausibly, of another. The agent for this was George E. Barnes, Chicago broker, before the Senate Finance Committee.

The original administration bill was amended to permit exemptions from withholdings upon the filing of an affidavit that no tax would be owed. This was represented as the cure for the charge that many widows and elderly couples, although owing no taxes on such income, would have to wait a year to recover money withheld.

Mr. Barnes points out that the real problem of overwithholding would remain. Among numerous examples, he cited the case of a retired couple whose income is $6,000 a year. Their taxes would be $600, but $1,200 would be withheld. The figures show that for any income up to $19,000 a year from such sources, withholding would be greater than taxes owed.

The basis for the effort to withhold taxes on dividends and interest is the estimate of Secretary of the Treasury Dillon that $840 million in dividends is unreported and therefore untaxed each year. Mr. Barnes cites a 1959 study by the New York Stock Exchange showing that tax-exempt institutions—colleges, pension funds, and the like—owned securities worth $24 billion listed on that exchange alone.

This sum would yield about $900 million in dividends, fully accounting for the gap reported by Secretary Dillon.

If one is reluctant to conclude that a Cabinet officer would attempt to bolster his case with phony statistics, he might recall the case of Defense Secretary McNamara in the recent steel imbroglio. President Kennedy solemnly announced that Mr. McNamara had calculated that a 3.5-percent boost in steel prices would cost the Defense Department a billion dollars a year. Since the Defense Department spends about $35 billion a year for material, the figure was obviously reached by applying 3.5 percent across the board.

The Department, however, buys uniforms and paper, rubber and aluminum, and thousands of other things not made of steel. The estimate emerges as the wildest exaggeration.

It is easy to prove the hardship that withholding of taxes on dividends and interest would impose on people, as well as the gigantic and expensive chore that it would impose upon business and financial institutions. Unless the fact of extensive tax cheating can be demonstrated conclusively, the case for withholding collapses. Right now, that seems to be the situation.

THE BILLIE SOL ESTES CASE

Mr. WILLIAMS of Delaware. Mr. President, in today's Washington News there appears an article entitled "Marshall Killer Hunted in Texas." It deals with the difficulty the attorney general of Texas is having in obtaining the cooperation of the Secretary of Agriculture and Attorney General Kennedy in connection with a certain 175-page report on the Estes case. The Department of Justice has said that it is willing to furnish portions of the report but that it could not furnish all of it. The Department of Justice is furnishing the report in its entirety to the investigating committee of the Senate.

They are right in furnishing it to the Senate. However, I see no reason why the Department of Justice and the Department of Agriculture should not cooperate fully with the attorney general of Texas, who has done excellent work in the case. If there is anything in that report which would help establish the facts in regard to the extraordinary death of Mr. Marshall the Government of the United States should cooperate to the fullest with the State authorities.

I see no reason why this report or any other information which the Government has on Mr. Marshall's activities should be withheld from the State of Texas. This case is already cloudy enough. I hope the Justice and Agriculture Departments will reverse their decision.

I ask unanimous consent that the article to which I have referred be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BATTLE FORECAST OVER ESTES REPORT—MARSHALL KILLER HUNTED IN TEXAS

FRANKLIN, TEX., May 25.—Texas Rangers and local law enforcement officers today searched for the person who may have killed the man who was investigating Billie Sol Estes.

A medical examiner's report said Henry H. Marshall, who was looking into Estes' cotton allotments deals, probably was murdered. But the report left a slight possibility Mr. Marshall committed suicide.

State officials investigating Mr. Marshall's death were unhappy today because the Department of Agriculture and the Justice Department refused to turn over a complete copy of a 175-page report on Estes' activities.

The Justice Department said portions dealing solely with Mr. Marshall could be turned over, but not the complete report.

The grand jury investigating his death would prefer to see the whole file and make its own decisions as to what is material, State Attorney General Will Wilson said.

Mr. Marshall, an Agriculture Department employee found dead near Franklin last June, had been shot five times with a .22-caliber bolt-action rifle.

Members of Mr. Marshall's family were incensed when yesterday's medical report left the door open to suicide.

A Robertson County grand jury has been in session since Monday to hear evidence about Mr. Marshall's death. It recessed yesterday until Monday just before the medical verdict was returned.

On October 27, a report on cotton manipulations in Texas was written in the U.S. Department of Agriculture. It included Estes' activities and Mr. Marshall contributed some information to it.

Local authorities asked for a copy but the U.S. district attorney in Dallas, acting as legal agent for the Agriculture Department, said yesterday he would not submit the full report. He offered to provide excerpts, claiming Federal privilege against a State subpena.

This may start a long fight through Federal courts. State authorities are especially unhappy because Agriculture Secretary Orville Freeman said a thorough investigation of Estes' activities was difficult because Mr. Marshall took so many secrets with him when he was murdered or took his own life.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. THURMOND. Mr. President, the purpose of my amendment can be simply stated. It strikes out the entirety of title I of the pending bill.

Title I, or the land-use adjustment section of S. 3225, authorizes the expenditure of Federal funds under the provisions of three different acts for the development of recreational facilities. This is at best only indirectly related to agriculture in that it anticipates the retirement of land in rural areas. However, it has no place in an omnibus farm bill of this type. The construction or development of such recreational facilities as is contemplated are no more than public works projects and should be considered as such.

The full cost of the program established by title I cannot be accurately estimated. The Secretary of Agriculture is authorized to enter into long-term agreements, up to 15 years. Appropriations for section 101 are limited to $10 million per year, but there are no effective limits for either section 102 or section 103. Bearing in mind the condition of our Nation's finances, the expenditure of an undetermined amount of money on the pretense of developing recreational facilities cannot be justified. It is neither necessary nor wise to enter into this long-range program at this time.

Section 101 completely eliminates the provision for State plans under the Soil Conservation and Domestic Allotment Act. It nationalizes the program and places it on a permanent rather than a temporary basis. I think that it is unwise to completely eliminate any reference to State plans and turn over complete authority under the provisions of the bill to the National Government.

Mr. President, the recreational facilities developed under the provisions of this title would, therefore, be subject to strict national regulation and control. The funds provided could be made contingent upon rules and regulations established by the Secretary of Agriculture. To that extent, the will of the National Government would take precedence over customs and practices of the area where the facility was established. Without a doubt, funds would be withheld in the South, unless a policy of mandatory integration in these recreation areas were established.

Mr. EASTLAND. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I yield.

Mr. EASTLAND. Is it not true that the Federal Government has been unable to induce the South to accept racial integration, and that this provision is an attempt, by the use of Federal funds, to bring about integrated swimming pools, dance halls, motels, golf links, and other recreational facilities?

Mr. THURMOND. The Senator from Mississippi is eminently correct. Later in my talk, I shall discuss that point. I predict that this provision will be used as one further economic tool to coerce the South into conforming to the wishes of the bureaucratic setup here in Washington. Judging from the recent announcement with regard to the funds under the impacted areas legislation, it is certain that this policy of forced integration will be pursued by the executive branch of our Government. Every conceivable method has been used in the past to deprive the South of their right of freedom of choice, and it will be no different under the provisions of this bill if it is enacted into law. It will mean that unless the people of the South cater to the wishes of the National Government, the funds authorized under this act, and a portion of which the people of the South provide with their own tax money, will be withheld from them.

During the discussion of title I of the bill on Monday, the Senator from Vermont [Mr. AIKEN], the Senator from Florida [Mr. HOLLAND], and the Senator from Mississippi [Mr. EASTLAND] reviewed the provisions of title I of the bill.

Some points were developed in such colloquy that I am sure are not apparent on the face of the bill and which I believe warrant the consideration of the Senators.

The Senator from Mississippi [Mr. EASTLAND] inquired of the Senator from Vermont [Mr. AIKEN]:

> Is it true that under this title recreational facilities, including motels, golf courses, swimming pools, and dance halls will be financed by the U.S. Government to be used by the public?

The Senator from Vermont [Mr. AIKEN] said he was not sure about dance halls, but that certainly the answer to the question was that such recreational developments would be available for public use.

Mr. KEATING. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I will be pleased to yield to the Senator from New York, provided that the questions he asks and the time he takes will be charged to his side, not to mine.

Mr. KEATING. Does the Senator from South Carolina agree with the legislative history concerning this subject? Does the Senator agree with the statements made by the Senator from Mississippi [Mr. EASTLAND], the Senator from Florida [Mr. HOLLAND], and the Senator from Vermont [Mr. AIKEN]?

Mr. THURMOND. I am simply stating what has occurred in the colloquy on the floor of the Senate during the debate.

To the question of whether or not this meant integration of recreational facilities, the Senator from Vermont said:

> They certainly ought to be. It is the intention that there will be no discrimination against any people at all in any public recreational facilities where Federal money is involved.

Later on during the discussion of title I a similar colloquy occurred between Senators EASTLAND and HOLLAND.

The Senator from Florida [Mr. HOLLAND] expressed the view that there could hardly be any question as to the interpretation made by Senator Aiken in this respect.

I say to Senators in all sincerity that no matter what their views may be with respect to the social intermingling of the races, we need to move slowly and cautiously in this whole area.

The PRESIDING OFFICER. The 5 minutes of the Senator from South Carolina have expired. Does the Senator yield himself additional time?

Mr. THURMOND. Mr. President, I yield myself as much additional time as may be necessary. I shall probably not require more than 1 or 2 additional minutes.

We need to move slowly and cautiously so as to avoid the conflict and exasperation of people that this issue is arousing.

Equal economic opportunity is one thing. An equal opportunity for educational advancement is generally accepted.

But this proposal obviously goes beyond this. It compels social intermingling in public recreational facilities, irrespective of local views, customs, and traditions.

I do not think we ought to back carelessly into this field. We should give it prudent consideration.

We should not let this proposal, which on its face does not appear to involve this whole explosive and controversial issue, go into effect not knowing what we are doing or what the full implication of our actions may be.

It would seem to me to be an unwise, precipitate action for us to enact title I of the bill, a bill that is devoted primarily to agricultural matters, with the knowledge that we are opening the door to consequences that have not been explored, discussed, or adequately reviewed by any of us.

For this reason we are offering an amendment to strike title I of the bill. Title I is not an essential part of the bill. The question of Federal involvement in financing recreational facilities is one that need not be dealt with at this time. The deletion of the title will not affect the design or major purposes of the bill.

Mr. President, I reserve the remainder of my time. If any other Senator wishes to speak in behalf of the amendment, time can be yielded to him.

Mr. ELLENDER. Mr. President, I yield myself 2 minutes.

I regret that the amendment has been offered, because I consider title I a very important section of the bill. As all of us know, the national park system has been of great benefit to the people as a whole. Every reservoir that is built anywhere in the country serves the people well by providing recreation.

Title I extends the ACP program as a national program, provides for diversion by individual farmers of cropland to recreation and conservation; provides for loans, and I emphasize "loans," to local government bodies for land utilization projects; and provides for assistance to local watershed project sponsors in providing public recreation.

When the bill came to the committee, the most serious objection raised to title I was that the Government had been given authority to purchase land, whether it was marginal land or any other kind of land, for recreational purposes. The committee has deleted all of that language. The management of the recreational facilities will be placed strictly under the control of the local authorities—of State and municipal organizations.

Particularly will the program be good for the watershed areas throughout the country, where the Federal Government builds small dams. Such dams are built wherever it is decided that a small reservoir may serve a community by providing good fishing and other recreational facilities. Then the Federal Government will step in and help to pay for the purchase of some of the land for that purpose—the same as is being done when the Federal Government builds huge dams throughout the country. We are extending to the small water-facility projects the same provisions now being applied to the large dams; and, as I have said, the Federal Government will assist in planning the projects. But under no circumstances will the Federal Government manage them. All the management will be under the supervision of local interests.

Mr. THURMOND. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. THURMOND. I am sure the Senator from Louisiana is familiar with the fact that the impacted areas legislation also provides that the funds are to be administered by the local people. However, I am also sure that the Senator from Louisiana is familiar with the announcement, recently made, that the funds will be withheld unless there is integration. Does the Senator from Louisiana think the same thing will occur in this case?

Mr. ELLENDER. I do not think so. The amendment made by title I of the bill to title III of the Bankhead-Jones Act provides for loans to State and local agencies. No grants are provided. The terms of the loans must be satisfactory to the State or local agency, or they do not have to accept the loan. If the terms of the loan are satisfactory, this provision may be of some use to them. If not, they can finance in the usual manner. They have to pay back the money, whether they obtain it by loan from the Government or by loan elsewhere. These funds are loaned to local people, and I have full confidence that the local people will handle this situation as they see fit.

Mr. AIKEN. Mr. President——

Mr. ELLENDER. Mr. President, I yield to the Senator from Vermont the remainder of the time under my control.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. AIKEN. First, let me say that recreational areas financed in whole or in part by Federal funds should be made available to all people, regardless of race, creed, or color. Therefore, I am opposed to the amendment of the Senator from South Carolina.

At this time I yield 4 minutes to the junior Senator from New York [Mr. KEATING] if that much time remains under my control. After that, I shall ask whether it will be in order for me to yield 5 minutes on the bill to the senior Senator from New York [Mr. JAVITS] so that he may have equal treatment.

The PRESIDING OFFICER. The Senator from Vermont is in charge of the time available to the minority.

Mr. AIKEN. Mr. President, I yield the remainder of the time under my control on the pending amendment to the junior Senator from New York [Mr. KEATING].

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. KEATING. Mr. President, I agree completely with the view expressed by the Senator from Vermont. Title I allows the conversion of unneeded or uneconomic cropland to other purposes, primarily recreational. This seems to be a sensible way to curb excess agricultural production, and at the same time give encouragement to the development of recreational facilities which would be most useful to our rapidly growing urban areas. This is one part of the bill—and there are not many of them in this category—which seems to be wise.

I have sent to the desk, and have had printed, an amendment which is submitted by me, on behalf of myself, my colleague [Mr. JAVITS], the Senator from Pennsylvania [Mr. SCOTT], the Senator from New Jersey [Mr. CASE], and also the Senator from Massachusetts [Mr. SALTONSTALL], who desires to be affiliated with us in the sponsorship of the amendment. The amendment requires that any public recreational facilities developed with Federal assistance under title I of the pending bill shall be available to all persons, without discrimination on account of race.

Up to this point, there seems to be unanimity of opinion in the Senate debate on this subject. No Senator has questioned the fact that Federal funds provided under this measure cannot be used for segregated facilities.

The Senator from South Carolina, the Senator from Mississippi, and the Senator from Florida approach this problem from a viewpoint different from mine; but I compliment them on their recognition that recreational facilities developed under title I of this bill will have to be integrated. It seems very clear to me that that is the case. Certainly there is no possible justification for using Federal funds for the development of facilities to be used on a Jim Crow basis. It makes no difference whether the assistance is in the form of loans or whether it is in the form of grants; and it makes no difference whether the facilities are managed by the Federal Government or by the State authorities. If Federal tax funds are involved in the acquisition, construction, or maintenance of such facilities, they must be open to all Americans, without regard to race; they must be public in the true sense.

I shall vote against the amendment to strike title I.

Mr. AIKEN. Mr. President, I yield 5 minutes on the bill to the senior Senator from New York [Mr. JAVITS].

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes.

Mr. JAVITS. Mr. President, needless to say, I am opposed to this amendment.

However, it is interesting to me to note that when we deal with measures for conservation and for the preservation of important areas of the country which are subject to conservation, there is strong support for them, and even considerable enthusiasm, because of the feeling that one of the dearest resources of the country will thus be preserved. However, when conservation provisions are included in the context of an agricultural bill, there is not the same emphasis on that aspect, nor do we find massing behind such a program the same amount of sentiment by the conservation groups. Of course, the reason for

that is that the agricultural provisions of the bill overshadow the conservation aspects of it, and, therefore, perhaps the major conservation groups are not yet aware of this part of the bill. Under our great governmental system, people often become aware of such situations only after some action adverse to their interests has been taken.

It seems to me that to reject or strike out this title would be adverse to those interests. New York has taken great pride in being one of the leading States of the Nation in terms of its interest in and its concern with conservation. Therefore, on that ground alone, I would strongly oppose striking out this title.

In the second place, ever since I first became a Member of Congress, I have taken a rather consistent position as regards voting against the concept of high, fixed price supports on a permanent basis. I have often been charged with being "less liberal" regarding that principle than I am in regard to many other economic and social proposals on which I have had the privilege of voting. But it seems to me that the problems of American agriculture are very deep seated, and that they will not be solved fundamentally in a way which will be in the interest of both consumers and farmers by providing only poultices, although I can thoroughly appreciate the dilemma of many Senators who represent areas which in the main are rural, and who must make some arrangement from year to year, so to speak.

That is all the more reason why those of us who, like myself, represent States which are heavily urban, should do their best to hew out, over a period of time, a more basic policy than this one.

As I have stated, I am deeply opposed to high, fixed price supports on a permanent basis and the permanent withdrawal of land from productive uses, so that it cannot thereafter be restored to such uses if subsequent exigencies require that. But I approve of such withdrawals on a temporary basis, if in the meantime the land can be used for other desirable national purposes. In principle, I believe the latter to be better than the idea of inhibiting the production of food which is so urgently needed throughout the world.

I repeat that in representing an area which has so large a population of urban consumers, I believe it sound to utilize for desirable purposes such as these the lands dealt with in title I, rather than merely to inhibit agricultural production on them at a time when agricultural production is desperately needed throughout the world and is also greatly in the interest of American consumers.

For these two reasons, Mr. President, I believe it is much sounder to proceed along the line of the provisions contained in title I. Therefore, I oppose the pending amendment, and I hope it will be rejected.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. AIKEN. Mr. President, I have a little time left.

The PRESIDING OFFICER. The Senator from South Carolina has 2 minutes remaining.

Mr. AIKEN. I yield the Senator from Delaware [Mr. WILLIAMS] 3 minutes on the bill.

Mr. WILLIAMS of Delaware. Mr. President, first, I want to say that I agree with the Senators who have said that if the Federal Government is going to build parks, they must be open to all of the people and not only to a certain group. On that point I am in agreement. However, I shall support the amendment of the Senator from South Carolina to strike this title from the bill. It does not have any part in an agricultural bill.

If we want to start a program of building parks in this country, we have established agencies of the Government that can do it. Why confer on the Secretary of Agriculture, in the name of helping the farmer, the right to build hunting lodges, for example. If I want to go hunting why should the Secretary of Agriculture build a hunting lodge for me? Why should the Department of Agriculture establish hunting preserves, tourist camps, and swimming pools in the name of agriculture? If we want parks constructed, let us develop the parks in this country through the established facilities of the Interior Department—and if we want them, let us build them openly and aboveboard, and not in a bill in which the costs are going to be charged to the American farmer.

Mr. THURMOND. Mr. President, the distinguished junior Senator from New York [Mr. KEATING], I believe, made a statement that he was pleased I had interpreted the history as he indicated. His statement was not accurate. I made no such interpretation. I merely cited what had occurred during the consideration of the bill.

I now yield the remainder of my time to the distinguished Senator from Florida.

Mr. HOLLAND. Mr. President, may I have some additional time?

Mr. AIKEN. Mr. President, I yield 3 additional minutes to the Senator from Florida, on the bill.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. HOLLAND. I thank the Senator.

I agree with the Senator from Delaware in opposing title I, primarily because it is the beginning of a grandiose scheme which was given a clear airing in the committee, and which every Senator ought to know about.

I am thoroughly in accord with the idea that the forced integration that would follow would bring trouble, and the evidence is clear on that, because much of the trouble that has originated in interracial matters has come in integrated swimming pools, playgrounds, and the like.

But let us forget about that for a moment and think about the suggested new and almost unlimited activity suggested for the Department of Agriculture. The Secretary of Agriculture frankly stated to the committee that he had in mind a rural renewal program which would be comparable to the urban renewal program. He asked for the right of condemnation of lands of all kinds, whether marginal or not; for the right of operation of a tremendous empire of recreational facilities at almost unlimited expense.

Of course, the committee cut out the worst features—the right of condemnation and operation. Nevertheless, we know what was intended; that was the program; and it was fully confessed to be so.

We still have in the bill another part that relates to the Farmers Home Administration, which gives the right to make loans to get lands of any kind, whether marginal or not, whether residential or not, whether industrial or not, for this purpose. We have, even under the present limitations, very high commitments for the loans of Federal moneys for this new purpose: for instance, $60,000 to any individual farmers; $500,000 to any association of farmers; $1 million to an association of farmers for the purpose of getting a loan which would be insured by the Farmers Home Administration; $250,000 to a public unit for the development of recreational facilities, without the matter being referred to anybody, and in the sole discretion of the Secretary of Agriculture; an unlimited amount beyond the $250,000, limited only by available appropriations, if the matter is referred to the two committees in the House and the Senate and is approved by those two committees.

This is the beginning of a big scheme which I certainly will not approve, because I do not think it is either wise or necessary. We have four or five Federal agencies engaged in the development of recreation facilities. I see no reason at all why we should launch this tremendous and unlimited effort, particularly when we know the bureau which will administer it has in mind something vastly larger than what is provided in the limited terms of this particular committee bill.

I do not favor title I, primarily for the reasons which I have stated, and particularly that part relating to the Farmers Home Administration, which has been used always as a beneficent help for submarginal farmers to obtain farms of their own, to develop farms of their own, to build housing on them, and do those things which have done so much good throughout our country. Now to inject this kind of feature in the bill, which has nothing to do with the functions of that executive agency, would be objectionable. I object to it. That is primarily why I shall support the amendment.

Mr. DIRKSEN. Mr. President, I yield myself 3 minutes on the bill.

I said yesterday this item was completely miscast in the pending bill. Frankly, it disturbs me, because I do not like to have people who are so devoted to the outdoors feel I am unsympathetic to their problem. I said these functions should be in the Department of the Interior. By Executive order, they have set up the Bureau of Recreation and Recreational Development. In the Department of the Interior we have the Fish and Wildlife Bureau Service, the Bureaus of Commercial Fisheries, Land Management, and Public Land, and other agencies all identified with the out-

doors. That is where this function should go, and it ought to be done on a project-by-project basis, and on the basis of direct appropriations.

I agree with the Senator from Florida that to dip into Bankhead-Jones funds seems to extend the old Bankhead-Jones Act beyond the original concept we ever had before.

I find myself between the devil and the deep blue sea. If some proposal were offered to put this function in the Department of the Interior, I would go along with it. I would hope ultimately it could be refined. But it is here, and since this provision will have particular appeal to urban people, since they will get the maximum benefit—the only place where it touches the agricultural segment of our economy is with respect to the amount of land which would be taken out of cultivation—this is not a function to be put in the Department of Agriculture. Let that Department devote itself to the business of solving the farmers' problems, and let the matter of recreation and recreational development go to that department of Government where it is properly coordinated and where it rightly belongs. Beyond that I have nothing to say.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina for himself and other Senators. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KERR (when his name was called). On this vote I have a pair with the Senator from South Carolina [Mr. JOHNSTON]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. MONRONEY (when his name was called). On this vote I have a pair with the distinguished junior Senator from Louisiana [Mr. LONG]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. SYMINGTON (when his name was called). On this vote I have a pair with the senior Senator from Virginia [Mr. BYRD]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Wyoming [Mr. HICKEY], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. MCGEE], the Senator from Mississippi [Mr. STENNIS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in family.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Alaska [Mr. GRUENING], and the Senator from Mississippi [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Colorado [Mr. CARROLL], the Senator from Alaska [Mr. GRUENING], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Texas [Mr. YARBOROUGH], the Senator from Wyoming [Mr. HICKEY], and the Senator from Wyoming [Mr. MCGEE] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from California [Mr. KUCHEL] is necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate.

If present and voting, the Senator from California [Mr. KUCHEL] and the Senator from Wisconsin [Mr. WILEY] would each vote "nay."

The result was announced—yeas 17, nays 65, as follows:

[No. 63 Leg.]

YEAS—17

Boggs	Hruska	Sparkman
Curtis	Jordan	Talmadge
Eastland	McClellan	Thurmond
Ervin	Robertson	Tower
Hill	Russell	Williams, Del.
Holland	Smathers	

NAYS—65

Aiken	Dodd	Miller
Allott	Douglas	Morse
Anderson	Dworshak	Morton
Bartlett	Ellender	Moss
Beall	Engle	Mundt
Bennett	Fong	Murphy
Bible	Goldwater	Muskie
Burdick	Hart	Neuberger
Bush	Hartke	Pastore
Butler	Hayden	Pearson
Byrd, W. Va.	Hickenlooper	Pell
Cannon	Humphrey	Prouty
Capehart	Jackson	Proxmire
Carlson	Javits	Randolph
Case, N.J.	Keating	Saltonstall
Case, S. Dak.	Kefauver	Scott
Chavez	Lausche	Smith, Mass.
Church	Long, Hawaii	Smith, Maine
Clark	Mansfield	Williams, N.J.
Cooper	McCarthy	Young, N. Dak.
Cotton	McNamara	Young, Ohio
Dirksen	Metcalf	

NOT VOTING—18

Byrd, Va.	Johnston	McGee
Carroll	Kerr	Monroney
Fulbright	Kuchel	Stennis
Gore	Long, Mo.	Symington
Gruening	Long, La.	Wiley
Hickey	Magnuson	Yarborough

So Mr. THURMOND'S amendment was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MILLER. Mr. President, I offer an amendment, which is at the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Iowa will be stated.

The LEGISLATIVE CLERK. Following the word "Secretary" in line 5, page 3, it is proposed to add: "(in cooperation with the Bureau of Outdoor Recreation on recreational development)."

Following the word "Secretary" in line 3, page 5, it is proposed to add: "(in cooperation with the Bureau of Outdoor Recreation on recreational development)."

On page 7, line 16, it is proposed to strike the word "him" and insert in lieu thereof the following: "the Bureau of Outdoor Recreation."

The PRESIDING OFFICER. The question is on the amendment of the Senator from Iowa.

Mr. MILLER. Mr. President, I yield myself 2 minutes.

I believe at the time title I was drafted, the drafters did not realize that the Secretary of the Interior would be establishing a Bureau of Outdoor Recreation. Such a Bureau has recently been established. The function of the Bureau is to serve as a coordinating agency for all activities pertaining to recreation in Federal activities. All my amendment would do would be to make clear that in title I, under which the Secretary of the Interior would take certain activities pertaining to recreation under the Soil Conservation and Domestic Allotment Act, under the Bankhead-Jones Farm Tenant Act, and under the Watershed Protection and Flood Prevention Act, he shall undertake such activities in cooperation with the Bureau of Outdoor Recreation.

I have discussed the amendment with the distinguished Senator from New Mexico [Mr. ANDERSON], the chairman of the Committee on Interior and Insular Affairs, and also with the distinguished Senator from Louisiana [Mr. ELLENDER], the chairman of the Committee on Agriculture and Forestry. I understand that the amendment is acceptable to them.

Mr. ELLENDER. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 minutes.

Mr. ELLENDER. Mr. President, I am sorry that there has been a misunderstanding. I did not say that I would agree to accept the amendment, but that I would look into it and study it.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MILLER. Certainly the Senator from Iowa would not state that the Senator from Louisiana had agreed to accept it unless the Senator from Iowa had received that understanding. The Senator regrets that there was a misunderstanding.

Mr. ELLENDER. The Senator came to me and said that the amendment was in accord with the views of the Senator from New Mexico [Mr. ANDERSON]. That was the information the Senator imparted to me.

In any event, as the Senator in charge of the bill, I believe the amendment should be rejected. The creation of the new Bureau of Outdoor Recreation in the Department of the Interior has to do with the management of public facilities owned and controlled by the Federal Government. The provisions of title I which would be amended by the Senator's amendment relate to projects to be carried out by individual farmers, State and local public bodies, and local watershed project sponsors. They are

no part of a federally operated recreation system.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MILLER. I regret very much the misunderstanding that the Senator from Iowa had. The Senator from Iowa thought the amendment was acceptable to the Senator from Louisiana. I believe that the amendment would help the title. If the Senator from Louisiana does not wish to accept the amendment, the Senator from Iowa will not press it. Title I can remain defective. The Senator from Iowa withdraws his amendment.

The PRESIDING OFFICER. The amendment is withdrawn. The bill is open to further amendment.

Mr. ROBERTSON. Mr. President, I call up my amendment, which is at the desk.

The PRESIDING OFFICER. The amendment of the Senator from Virginia will be stated.

The LEGISLATIVE CLERK. On page 8, between lines 22 and 23, it is proposed to insert a new section as follows:

SEC. 201. Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by redesignating section 204 as section 205 and adding after section 203 a new section as follows:

"SEC. 204. (a) The President is hereby authorized to make available to the needy peoples of friendly nations or areas in Africa and Asia corn, barley, and grain sorghums owned by the Commodity Credit Corporation and determined by the Secretary of Agriculture to be excess to the domestic requirement of the United States, including adequate carryover and anticipated export for dollars.

"(b) The provision of section 203 of this title shall be applicable to the disposition of commodities made under the provisions of this section, except that the dollar limitation prescribed in the first sentence of such section shall not be applicable with respect to such dispositions.

"(c) The President shall take reasonable precaution to insure that dispositions of commodities made under the provisions of this section do not interfere with or adversely affect commercial trade and sales of such commodities which might otherwise be made.

"(d) No assistance shall be made available under the provisions of this section to the peoples of any nation or area which has a Communist form of government or which is dominated or controlled by the international Communist movement."

On page 8, line 23, it is proposed to strike out "SEC. 201." and insert in lieu thereof "SEC. 202.".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia. How much time does the Senator yield himself?

Mr. ROBERTSON. Ten minutes.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mr. ROBERTSON. Mr. President, my life has been lived within the shadows of the Blue Ridge Mountains. Like Thomas Jefferson, I early resolved never to wear any character other than that of a farmer. I have lived in farming areas. I have worked on the farm and throughout my life I have been familiar with problems that confront agriculture. Consequently, it has caused me deep concern that during the past 10 years, as our gross national product gradually rose to the alltime peak of $550 billion, and the gross produced income to the alltime peak of $430 billion, our farmers have gradually fallen lower and lower in the percentage that they had of that unprecedented national prosperity.

Thomas Jefferson in his day rejoiced in the fact that 80 percent of the American people were engaged in farming. He held that our farmers were the backbone of our democracy and of American constitutional liberty, and he expressed the hope that the day would never come when not less than 50 percent of our people lived on the farm.

What do we see today? Because farming has been a hard way of life, because the return to farmers has been most inadequate, our farm population has dropped to only 13 percent of our entire population. Yet because of the willingness of farmers to work in the tradition of the Founding Fathers, not a 30-hour week, not a 40-hour week, and not an 8-hour day, but from sunup to sundown, and frequently 7 days out of the week, they have increased their per capita production more than any other segment of our economy. I say they have shared progressively less and less in the national prosperity.

Now we have a program before us to take from them more and more of their traditional freedom of action, and put them more and more under regulations which have accumulated debts for the Nation, which have accumulated unmanageable surpluses for the administration, and have failed to bring prosperity to our farmers.

Congress, in September 1949, had a chance to return our farmers to a system of private enterprise. Under the grave urgency of World War II, when we had more of our boys committed to military service than ever in our history, when our allies in Europe would have perished but for our supplies—we called upon our farmers to increase and still further increase their production.

Consequently, when the war suddenly terminated, and the oversea market for our surplus produce disappeared, Congress said to the farmers, "We will give you a 2-year transition period to get back to a system of private enterprise." At the end of that 2 years there were those in charge of the program who said, "They are not yet back, and we want to give them 2 years more."

We had a bill in 1949. The House was not willing to give up the political pap and pomp and so forth of telling the farmer, "We are doing something for you. We are giving you 90 percent of parity. Vote for us."

That bill came over to the Senate in September 1949. We voted for a program of flexible parity. At least I did, along with a slim majority of the Senate. That was the time when we could have started the farmer back to the only sure and certain method for his fair share of the national prosperity, or at least the self-respect that comes from being a freeman.

I am sure that all Senators remember Aesop's fable of the wolf and the great dane. The wolf came by, and the great dane said to the wolf: "I have never seen such hunger and poverty as I see in you. Your ribs are sticking out. Your flanks are all withered. Look at me. Look how much better I am."

The wolf said, "Wait a minute. What has become of the hair on your neck?"

"Oh," the great dane said, "that is where the collar has rubbed it off, as they chain me here to this kennel."

The wolf said, "I would rather be a lean wolf and free, than a fat dog chained to a kennel."

I believe that summarizes the attitude, overall, of the American farmer.

In conference, in 1949, the Senate yielded to the importunities of the House to continue the 90-percent rigid parity.

Then what happened? Well, naturally our dairy farmers wanted to get into it, and we put cheese and butter in the program, and lost millions of dollars. Our good friends from Maine and elsewhere wanted to get into it. We put potatoes into it, and we lost millions of dollars on that. We have lost all along the line. This year, without having accomplished anything worth while for the farmer's welfare, we are going to put $7,200 million into this farm support program.

Yesterday I voted for two amendments, offered by the distinguished Senator from Louisiana. Why? Because they would cut the expenses of the program by $785 million. I did not care for the regimentation in the feed grain amendment, but I was concerned about the tremendous increase in the cost of the program, when we were not helping the farmer and when we were not taking him out of the ditch.

I propose to return merely a segment of agriculture to free enterprise by lifting from over the farmer's head the Damocles sword of a tremendous surplus of feed grain; that is, when the referendum comes under the Ellender bill, if it is enacted into law. The same provision is in the House bill. It looks as though we are going to pass the Ellender bill, and the House will pass the Ellender bill, and Congress will approve the Ellender bill. The feed grain farmers will then vote. Are they going to vote free or under the penalty, "If you do not accept this collar around your neck, we are going to break your financial back by dumping millions of tons on you"?

I say millions advisedly. We have 75 million tons of feed grains. We can dump that.

Are we going to say to the farmer, "If you do not accept this regimentation, we are going to dump it on you and break your backs"? Is that a fair deal for our farmers?

I am asking the Senate to give them a fair vote. Let us do a little figuring. What did it cost the taxpayers for this feed grain program last year alone? Last year we invested $526 million.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. ROBERTSON. I have very little time remaining. I wish the Senator would get some time from the time allowed on the bill.

Mr. BUSH. I will ask for time on the other side.

Mr. ROBERTSON. I yield.

Mr. BUSH. It is my recollection that Public Law 480 was designed to get rid of these surpluses. Was that not part of the original purpose of Public Law 480?

Mr. ROBERTSON. Oh, yes. For a part of the grain under Public Law 480 we must be paid. We do not give it all away. Under one section we can give away up to $300 million worth.

Mr. BUSH. Have we received any dollars for Public Law 480 goods?

Mr. ROBERTSON. No; only soft currency. It is all on the cuff.

The PRESIDING OFFICER. The time of the Senator from Virginia has expired.

Mr. ELLENDER. I yield 10 minutes to the Senator from Virginia on the bill.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. BUSH. The Senator has answered my first question, to wit, Public Law 480 was designed to help get rid of our surpluses.

Mr. ROBERTSON. Yes.

Mr. BUSH. Is it not true that instead of doing that, our surpluses have gone sky high?

Mr. ROBERTSON. Yes; it has come to the point, as I said, that this year the purchase program is going to cost us $7.2 billion, and the cost will keep going up. There are scandals, too. I do not want to call the name of any State where something like that has happened. However, there are scandals over storage. What is involved in storage? It is 15 cents a bushel. If we multiply 15 by 7, we get a price exceeding the price of corn. So what happened?

The cost of storage is going up all the time. We are paying 15 cents a bushel for storage. The investment goes "down the sink" of storage charges in 7 years. So I ask, Why not get a little credit? Why not get a little credit for helping the starving Chinese and the refugees in Hong Kong? Why not get a little credit in India? How much are we going to give them, and how much are we not going to give them? Why not give the taxpayers credit at the same time? The taxpayers will lose the money anyway, make no mistake about it. It is being paid for storage. Give our farmers, next year, when they vote on market controls on feed grain, a fair vote. Permit them to say whether they want 75 percent price supports with controls or up to 50 percent, and be free to raise what they please.

Mr. BUSH. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. BUSH. Is not the Senator afraid that by emptying the warehouses and getting rid of the grain, as he proposes, we will simply be inviting an increase in the price support program, just as happened under the Public Law 480 program, and that instead of being able to reduce surpluses, the Senator's proposal will increase them?

Mr. ROBERTSON. Far be it from me to deny that Congress might yield to political pressure. But Congress would not do that unless it were to yield to political pressure. If we do get rid of surpluses, and then create surpluses somewhere else; what would that be but political pressure? I will not say that the Senate might do that; I cannot deny the possibility.

Mr. HUMPHREY. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. HUMPHREY. I have listened to the Senator's proposal, about which he spoke to us earlier in the day. What the proposal does is to take the ceiling off that part of Public Law 480 which relates to gifts to needy people in other parts of the world. I should like to make one or two points.

Mr. ROBERTSON. Of course, the Senator is doing it in his own time on the bill, is he not?

Mr. HUMPHREY. I shall be happy to do so.

Mr. ROBERTSON. I thank the Senator very much.

Mr. HUMPHREY. The Senator from Virginia had a full hour on the amendment; I did not think he planned to use all of it.

Mr. President, will the Senator from Louisiana yield me 5 minutes on the bill?

Mr. ELLENDER. Very well; divided between the Senator from Minnesota and the Senator from Virginia.

Mr. HUMPHREY. Mr. President, if the Senator from Louisiana will not yield me the time, I will yield it myself.

First, the so-called 90 percent of parity provision, which the Senator from Virginia takes such delight in harpooning, is not the provision which brought on the surplus. I have been interested in the question of agriculture for some time, not nearly so long as the Senator from Louisiana has been, but I served on the Committee on Agriculture and Forestry for 8 years.

It happened that when the flexible price support structure came into being, the bins were flexed that much larger. The biggest accumulation of food in the Nation's history came when we had 65 percent of parity. When there were no controls and 65 percent of parity—flexible from 100 percent down to 65—everybody was flexed right out of the ball park.

So let us get the record straight. There was three times as much corn in the Government bins under 65 percent of parity as there was under 90 percent of parity. That is a fact, not an opinion. So that is the first point I wanted to get straight.

Mr. ROBERTSON. Straight, until I get the floor.

Mr. HUMPHREY. The Senator from Virginia cannot twist that statement, because it is a fact.

The next point to which I wish to call the Senator's attention, on my own time, is that I hope we can get the Chinese to eat corn, barley, and grain sorghums, because that is what we are planning to dispose of. They will eat some wheat, but wheat is not included. They do like rice, but rice is not included. What we are asking them to eat is corn, much of which is not fit for human consumption; and barley and grain sorghums. With all due deference to the dietary habits of any people, I have not seen too many persons lining up at any counter and saying, "Please pass the grain sorghums." [Laughter.] I have known some people who do eat barley and corn, but they do not generally eat it or consume it in what we call the dry form.

But do not misunderstand me. I think the Senator's amendment might well offer some assistance if it can be properly used. But I do not believe we ought to kid ourselves. Let us quit fooling one another. One reason why we have such a large surplus of grain is that we have not been able to move much under Public Law 480. Why? Because in very few places in the world is corn or maize used for human consumption. That is one of the simple facts. It might be possible to train people to change their dietary habits, but it is pretty hard to do so, even in the case of the little ones, and even before they have gone through the environmental situations of adulthood. It is difficult to change eating habits either here or abroad.

The point which I think needs to be made is that while on its face the proposal seems to offer great assistance as a humanitarian motivation, I do not think we ought to delude ourselves for a moment. The Chinese people do not eat corn.

Second, they do not like barley. Third, I do not know of anyone, except animals, who eats grain sorghums.

Mr. LAUSCHE. Can we pay them some money to take them?

Mr. HUMPHREY. The advantage, if we wish to consider this as a practical proposition, is that if there could be poultry and animal raising in the areas where we extend aid, the feed grains could be used. Feed grains find their way into humans through either fowl or animal. That is the way to utilize feed grains.

This is not a laughing matter. I think the Public Law 480 program and the food-for-peace program are godsends; that they are a part of the Judaeo-Christian philosophy of assistance, and comprise one of the finest aspects of our foreign policy.

I do not think it will do us any good to say that we will open up our bins to empty them, so as to enable our farm economy to get back on a free market. We will not get back on a free market by opening them anyhow, because it is not possible to dispose of so large a quantity of corn in a short period of time; it would be impossible.

I thought $300 million was an arbitrary figure, in the first place. If that is the Senator's objective, more power to him, but let us not go around pretending that somehow or other, once we have taken off the ceiling, we will have solved the problem. We have cotton which cannot be disposed of. Senators know it. We do not have certain kinds of textile mills that can use it. There are certain other kinds of food which cannot be disposed of in certain parts of the world.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. ROBERTSON. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Virginia has 6 minutes remaining.

Mr. ROBERTSON. Mr. President, the Senator from Minnesota seems to indicate what we, who have been devoting

our time to banking, appropriations, and other subjects, are up against when we seek to ascertain the facts.

I asked the chairman of the committee, "Will this proposal raise the price of feed grains to poultrymen and cattlemen?" He said, "Oh, no. In Virginia, from 85 to 95 percent of the farms plant less than 25 acres of corn." I asked, "*Will they be* under the program?" The answer was, "Oh, no."

Then, when the distinguished acting minority leader, the Senator from Vermont [Mr. AIKEN], took the floor, he indicated that all the chickens in New England could not stand the bill; it would wreck them.

Then when I spoke about a referendum on the farms, and asked if the farmers will have a chance to vote, the answer was, "Oh, yes."

Over on the Republican side, crocodile tears are shed because farmers will be regimented under the bill. So, when we try to get the facts involved, that is the last thing we can get.

I reply to the distinguished Senator from Minnesota: Yes, I raise the limit of the $300 million, but my purpose is not solely for that; my purpose is to get rid of controls, and this is a good way to do it. I seek to get rid of controls upon farmers who grow feed grains. That is what we want to do. I want to start a movement to get farmers back under a private enterprise system. So this is where I thought we might make a start.

Senators know that in 10 years we have been falling behind. We all know that we have sunk millions of dollars into the farm program. We know that this proposal will not give anything away; we will lose it anyhow. The distinguished Senator from Minnesota says that most of the feed grains are not fit to eat anyway. Even if we keep paying $1,500,000 a day for storing it, it is no good. I want to get rid of it. I want to stop the drain upon the taxpayers. I want to give the farmers a fair, just vote in a referendum, and not be under the threat of having a threat held over them by anyone who wants to keep his power of control, and can say, "If you don't vote as I want you to vote, it will be bad for you."

Mr. HUMPHREY. I hope the Senator has not misunderstood me. When I said that grain was not fit to eat, I was referring to human consumption of it. We have price supports on cotton, but we do not eat cotton. We do not even wear a bale of cotton, unless it is at a masquerade parade.

Mr. ROBERTSON. The Stonewall Brigade fought for days on parched corn and whipped a lot of the enemy.

Yet, today some persons say that the people of China will not eat cornmeal, even though they are starving to death.

Mr. HUMPHREY. Mr. President, I am not opposed to their trying it; I am entirely in favor of their doing that. For 8 years we have been trying to give away corn, grain sorghums, and barley for human consumption and for animal feed, but it has been rather difficult. We have no problem in giving away our rice or our wheat or our cotton, or selling them, either. But when it comes to feed grains, the fact is that they are for animal and poultry consumption. After all, feed grains are used primarily for animal husbandry—for the production of poultry and animals. No matter how warm the hen, it takes a certain number of days to hatch an egg; and no matter how good the feed grains may be, it takes a little while to fatten a hog.

Mr. ROBERTSON. But I point out that the Secretary of Agriculture himself has said that the annual Commodity Credit Corporation expenditures on carrying charges for these three crops will exceed $1,400 million by the fiscal year 1967.

Mr. HUMPHREY. That is why I voted for the Ellender amendment.

Mr. ROBERTSON. I did, too; and it saves some money, but it will be at the expense of the freedom of our farmers.

Mr. RANDOLPH. Mr. President, will the Senator from Virginia yield very briefly to me?

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Does the Senator from Virginia yield to the Senator from West Virginia?

Mr. ROBERTSON. I yield.

Mr. RANDOLPH. I do not wish to be facetious; but, as regards corn, if there were less scrutiny by the Federal Government, I know several areas of the country in which the production of moonshine would increase. [Laughter.]

Mr. ROBERTSON. Mr. President, as the Senator from Vermont pointed out yesterday, we have never tried to enforce rigid controls over 113 million acres of feed grain land.

The PRESIDING OFFICER. The time available to the Senator from Virginia has expired.

Mr. ROBERTSON. Mr. President, I ask all the friends of free enterprise to vote for my amendment.

Mr. ELLENDER. Mr. President——

Mr PASTORE. Mr. President, will the Senator from Louisiana yield to me 1 minute, so that I may explain my position on this amendment?

Mr. ELLENDER. I yield.

Mr. PASTORE. Mr. President, I shall support this amendment, although not for the reasons enumerated by the distinguished Senator from Virginia. I am not trying to affect the votes farmers will cast when the referendum is held, but I am interested in the moral aspect of this matter. America has warehouses simply bulging with agricultural commodities which our people are unable to eat; for all this excess we expend huge sums of money in providing storage facilities; but in other parts of the world many people are starving. If we offer to those who are starving the agricultural commodities that our people cannot eat and cannot use, I think the effect on mankind will be wonderful and even uplifting to ourselves.

Mr. HUMPHREY. Mr. President, if the Senator will yield to me, let me ask whether the Senator from Rhode Island thinks it would be well to include the word "wheat"?

Mr. PASTORE. Yes; I think it should be included, too.

Mr. HUMPHREY. I think so, too.

Mr. CARLSON. Mr. President, will the Senator from Vermont yield to me 2 minutes on the bill?

Mr. AIKEN. I yield.

Mr. CARLSON. Mr. President, I certainly do not want to become involved in controversy with the distinguished Senator from Virginia; and of course I, too, have great sympathy with people who are hungry. But in dealing with these matters, I believe we should be factual and should know what has happened in the past.

I have before me the 15th semiannual report on the activities carried on under Public Law 480; the report came to us from the White House on April 9 of this year, and it shows how difficult it is for us to get our feed grains to other countries.

For instance, I now read from page 10 of the report:

> Two hundred and seventy-four agreements, or supplements to agreements, with a total CCC cost of $10,872.7 million, have been entered into with 42 countries since the inception of the program in July 1954.

The interesting point is that during all these years we have been able to move to those countries only 163,435,000 bushels of corn, 6,807,000 bushels of oats, 127,802,000 bushels of barley, 51,418,000 bushels of grain sorghums, and 4,737,000 bushels of rye.

I believe all Senators should examine the figures set forth in this report.

As the Senator from Minnesota has said, there is little or no trouble in selling our surplus wheat; in fact, these countries have taken approximately 2,322,770,000 bushels of wheat and wheat flour, and 5,851,125,000 pounds of fats and oils.

I ask unanimous consent that the table to which I have referred be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE V.—*Commodity composition of all title I agreements signed through Dec. 31, 1961*

Commodity	Unit	Approximate quantity	Export market value	Estimated CCC cost
			Millions	*Millions*
Wheat and wheat flour	Bushel	[1] 2,322,770,000	$3,816.1	$6,329.6
Feed grains	do	[2] 354,199,000	415.6	527.3
Rice	Hundredweight	71,668,000	409.1	676.7
Cotton	Bale	[3] 6,301,000	926.3	1,273.0

[1] Wheat and wheat equivalent of flour.

[2] Feed grains breakdown:

Corn	bushels	163,435,000
Oats	do	6,807,000
Barley	do	127,802,000
Grain sorghums	do	51,418,000
Rye	do	4,737,000
Total	do	354,199,000

[3] Includes 51,700 bales extra long staple cotton.

TABLE V.—*Commodity composition of all title I agreements signed through Dec. 31, 1961*—Continued

Commodity	Unit	Approximate quantity	Export market value	Estimated CCC cost
			Millions	*Millions*
Cotton linters	Bale	7,500	.3	.3
Meat products	Pound	113,193,000	38.1	38.1
Tobacco	do	332,732,000	241.4	241.4
Dairy products	do	362,916,000	59.6	93.5
Fats and oils	do	5,851,125,000	806.7	813.7
Poultry	do	18,390,000	5.6	5.6
Dry edible beans	Hundredweight	488,000	3.9	3.9
Fruits and vegetables	Pound	188,689,000	17.5	17.5
Seeds	Hundredweight	10,000	.4	.4
Total commodities			6,740.6	10,021.0
Ocean transportation to be financed by CCC			851.7	851.7
Total, including ocean transportation			7,592.3	10,872.7

Mr. LAUSCHE. Mr. President, will either of the Senators who are in charge of the time yield briefly to me?

Mr. AIKEN. Mr. President, we have 33 minutes remaining under the control of our side; therefore, I believe it will be appropriate for the other side to yield some time to the Senator from Ohio.

Mr. ELLENDER. I yield to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, there has been debate in regard to giving surplus foods to other countries. However, I point out that the report shows that we have distributed $11 billion worth of food under Public Law 480; and certainly that is not a trifling amount. For that $11 billion worth of food, we have received, in return, practically no dollars; practically all of the returns have been in the form of so-called soft currencies, which are of little or no use to us, for the soft currencies remain in the countries to which we have allegedly sold the food. However, in effect, instead of selling it to them, we have given it to them.

If there is any question about the correctness of the figures I have submitted, I hope they will be challenged at this time. But I repeat that we have disposed of $11 billion worth of food in the form of absolute gifts and exchanges for soft currencies, barters, and donations.

Mr. BUSH. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I shall yield in just a moment.

Intermittently, I receive letters from citizens in Ohio who ask, "Why don't we do more with our food?" They do not know that we have disposed of $11 billion worth.

Today, it was stated on the floor of the Senate that we have done practically nothing with our surplus foods; but I submit that is not a fact.

Now I yield to the Senator from Connecticut.

Mr. BUSH. Does the Senator from Ohio feel that the disposal of all these agricultural commodities under Public Law 480 has constituted a sound approach to reducing our surpluses of those commodities? In other words, have our surpluses of them increased or decreased under the administration of that law?

Mr. LAUSCHE. It is true that they have increased during this period.

Mr. LAUSCHE subsequently said: Mr. President, I ask unanimous consent to have some tables printed in the RECORD following my remarks of a short time ago on the dollar volume of Public Law 480 aid, which we have given to the world.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE, FOREIGN AGRICULTURAL SERVICE, WASHINGTON, D.C.

Title I, Public Law 480: Agreements signed from beginning of program (as modified by purchase authorization transactions) through Apr. 30, 1962

[In thousands of dollars]

	Country	Date signed	Market value excluding ocean transportation	Ocean transportation	Estimated CCC cost including ocean transportation
1- 22	Fiscal year 1955		326,112	28,576	465,942
23- 59	Fiscal year 1956		616,150	55,141	956,463
60-100	Fiscal year 1957		911,268	123,140	1,468,478
101-135	Fiscal year 1958		670,524	57,342	991,836
136-158	Fiscal year 1959		751,542	82,722	1,121,513
159-195	Fiscal year 1960		994,286	141,514	1,699,736
196-246	Fiscal year 1961		1,541,252	225,866	2,747,823
247-290	Fiscal year 1962 through Mar. 31, 1962		1,216,603	161,773	1,885,053
291	Poland (amendment)	Apr. 19, 1962	15,300	500	23,500
292	Yugoslavia (amendment)	Apr. 21, 1962	12,900	1,600	22,000
293	United Arab Republic (amendment)	Apr. 23, 1962	12,400	1,600	21,400
294	China	Apr. 27, 1962	2,900	100	4,300
295	Uruguay	do	1,900	100	2,000
	Subtotal, July 1, 1961, through Apr. 30, 1962		1,262,003	165,673	1,958,253
	Total, all agreements signed through Apr. 30, 1962		7,073,137	879,974	11,410,044

TABLE I.—*Commodity composition of programs under title I, Public Law 480, agreements signed July 1, 1961, through Apr. 30, 1962*

[In millions of dollars]

Country	Wheat and flour	Feed grains	Rice	Cotton	Tobacco	Dairy products	Fats and oils	Other	Total			
									Market value	Ocean transportation [1]	Market value including ocean transportation	Estimated CCC cost including ocean transportation
Bolivia	2.2		0.6	1.1					3.9	0.5	4.4	6.3
Brazil	50.6	1.8							52.4	6.2	58.6	93.2
China	15.6	.2		14.1	1.7	0.1	1.5		33.2	3.0	36.2	50.1
Congo	1.5		2.0		.7	2.3		0.3	6.8	.7	7.5	10.1
Finland				1.5	.2				1.7	.1	1.8	2.1
Greece	1.9	7.0							8.9	1.3	10.2	11.6
Guinea	1.2		5.4						6.6	.9	7.5	11.4
Iceland	.6	.3	.1		.5		.1	.1	1.7	.3	2.0	2.3
Indonesia	19.6		36.1	36.3	10.0				102.0	9.5	111.5	168.1
Iran	6.1						1.4		7.5	1.8	9.3	12.9
Korea	15.5			22.5					38.0	2.8	40.8	60.4
Morocco	12.7								12.7	1.6	14.3	22.0

See footnotes at end of table.

TABLE I.—*Commodity composition of programs under title I, Public Law 480, agreements signed July 1, 1961, through Apr. 30, 1962*—Continued

[In millions of dollars]

Country	Wheat and flour	Feed grains	Rice	Cotton	Tobacco	Dairy products	Fats and oils	Other	Total			
									Market value	Ocean transportation [1]	Market value including ocean transportation	Estimated CCC cost including ocean transportation
Pakistan	349.4	23.6		[2] 15.9	8.0	2.4	146.8	.4	546.5	88.4	634.9	826.8
Paraguay	5.5								5.5	1.4	6.9	10.4
Philippines				21.0					21.0	.7	21.7	32.9
Poland	25.0	6.2	1.5	13.8			9.5		56.0	4.4	60.4	82.7
Sudan	3.8								3.8	.8	4.6	6.8
Syrian Arab Republic	6.3		1.5		.2				8.0	1.3	9.3	14.1
Tunisia	3.2	1.9							5.1	.6	5.7	7.5
Turkey	87.4	.5					19.6		107.5	13.1	120.6	175.1
United Arab Republic (Egypt)	76.1	14.2			6.5	[3]	26.3		123.1	14.8	137.9	183.6
Uruguay					1.9				1.9	.1	2.0	2.0
Vietnam	3.3		5.8	4.2	2.6	7.9			23.8	2.4	26.2	33.1
Yugoslavia	62.9			9.1			11.9	.4	84.3	8.9	93.2	132.6
Total agreements signed July 1, 1961, through Apr. 30, 1962	750.4	[4] 55.7	53.0	139.5	32.3	[5] 12.7	[6] 217.1	[7] 1.2	1,261.9	165.6	1,427.5	1,958.1
Total agreements signed through June 30, 1961	3,251.9	366.9	387.9	863.7	221.7	45.5	608.6	64.7	5,810.9	714.4	6,525.3	9,451.6
Total agreements signed through Apr. 30, 1962	4,002.3	422.6	440.9	1,003.2	254.0	58.2	825.7	65.9	7,072.8	880.0	7,952.8	11,409.7

[1] Includes ocean transportation to be financed by CCC.
[2] $9.6 million extra-long staple cotton.
[3] Negative.
[4] See the following:

	Millions
Corn	$44.7
Barley	11.0
Total	55.7

[5] See the following:

	Millions
Condensed milk	$7.7
Dried whole milk	1.5
Nonfat dry milk	2.2
Evaporated milk	.7
Dried eggs	.6
Total	12.7

[6] See the following:

	Millions
Cottonseed and/or soybean oil	$190.0
Tallow	27.1
Total	217.1

[7] See the following:

	Millions
Fruit: Iceland and Yugoslavia	$0.5
Congo poultry	.3
Pakistan poultry	.4
Total	1.2

TABLE II.—*Approximate quantities of commodities under title I, Public Law 480, agreements signed July 1, 1961, through Apr. 30, 1962*

[In thousands]

Country	Wheat and flour	Feed grains	Rice	Cotton	Tobacco	Dairy products	Fats and oils	Poultry	Dry edible beans	Fruits and vegetables	Meat	Hay and pasture seeds
	Bushels	*Bushels*	*Hundredweight*	*Bales*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Hundredweight*	*Pounds*	*Pounds*	*Hundredweight*
Bolivia	1,465		110	6.5								
Brazil	29,395	1,452										
China (Taiwan)	14,685	197		100.0	2,000	714	14,773					
Congo	999		333		1,323	10,860		1,154				
Finland				10.0	385							
Greece	1,100	5,661										
Guinea	772		992									
Iceland	399	252	7		500		732			460		
Indonesia	12,552		6,437	242.0	13,889							
Iran	3,674						8,818					
Korea	9,186			150.0								
Morocco	7,349											
Pakistan	211,390	19,684		[1] 72.0	8,000	22,441	1,059,458	1,102				
Paraguay	3,004											
Philippines				150.0								
Poland	14,391	4,899	221	92.0			81,574					
Sudan	2,388											
Syrian Arab Republic	3,724		273		222							
Tunisia	1,837	1,378										
Turkey	51,548	388					154,323					
United Arab Republic (Egypt)	48,240	11,672			9,921	553	193,286					
Uruguay					2,000							
Vietnam	2,358		967	29.0	4,333	38,875						
Yugoslavia	37,235			65.0			95,161			7,275		
Total agreements signed July 1, 1961, through Apr. 30, 1962	457,691	[2] 45,583	9,340	916.5	42,573	[3] 73,443	[4] 1,608,125	2,256		7,675		
Total agreements through June 30, 1961	2,015,313	314,608	68,019	5,905.0	306,720	282,994	4,367,440	15,965	481	187,247	113,193	10
Total agreements through Apr. 30, 1962	2,473,004	360,191	77,359	6,821.5	349,293	356,437	5,975,565	18,221	481	194,922	113,193	10

[1] 30,000 bales extra-long staple.
[2] See the following:

	Thousand bushels
Corn	37,014
Barley	8,569
Total	45,583

[3] See the following:

	Thousand pounds
Condensed milk	38,500
Dried whole milk	3,625
Nonfat dry milk	27,377
Evaporated milk	3,500
Dried eggs	441
Total	73,443

[4] See the following:

	Thousand pounds
Cottonseed and/or soybean oil	1,272,093
Tallow	336,032
Total	1,608,125

TABLE III.—*Uses of foreign currency as provided in title I, Public Law 480, agreements signed July 1, 1961, through Apr. 30, 1962* [1]

[Amounts are in thousand dollar equivalents at the deposit rate of exchange]

Country	Total amount in agreements (market value including ocean transportation)	104(c)—Common defense	104(e)—Grants for economic development	104(e)—Loans to private enterprise	104(g)—Loans to foreign governments	For U.S. uses [2]
Bolivia	4,379			600	3,084	695
Brazil	58,600		11,720		35,160	11,720
China (Taiwan)	36,150	19,401		3,315	6,565	6,869
Congo	7,500		6,750			750
Finland	1,800			450	180	1,170
Greece	10,200			1,530	5,100	3,570
Guinea	7,500				5,700	,1800
Iceland	1,845				1,384	461
Indonesia	111,525		2,025	5,576	90,889	13,035
Iran	9,000			450	6,300	2,250
Korea	40,800	35,822		898		4,080
Morocco	14,200			2,130	8,520	3,550
Pakistan	634,150		434,615	31,771	128,733	39,031
Paraguay	6,900		2,760	345	2,760	1,035
Philippines	21,750	5,002	3,045	5,438	2,827	5,438
Poland	60,400					60,400
Sudan	4,600		1,150	690	1,610	1,150
Syrian Arab Republic	9,000			1,350	5,850	1,800
Tunisia	5,700				4,845	855
Turkey	120,500	15,018	54	19,811	61,517	24,100
United Arab Republic (Egypt)	137,740		13,731	13,774	82,687	27,548
Uruguay	2,000			500	1,000	500
Vietnam	26,150	19,135		2,750		4,265
Yugoslavia	93,100		15,120		68,670	9,310
Total agreements, July 1, 1961–Apr. 30, 1962	[3] 1,425,489	94,378	490,970	91,378	523,381	225,382
Total agreements through June 30, 1961	[3] 6,592,258	398,801	1,129,519	389,593	2,944,024	1,730,321
Total agreements through Apr. 30, 1962	[3] 8,017,747	493,179	1,620,489	480,971	3,467,405	1,955,703
Uses as percent of total	100.0	6.2	20.2	6.0	43.2	24.4

[1] Many agreements provide for the various currency uses in terms of percentages of the amounts of local currency accruing pursuant to sales made under each agreement. In such cases, amounts included in this table for each use are determined by applying the specified percentages to the total dollar amount provided in each agreement. Amounts shown are subject to adjustment when actual commodity purchases and currency allocations have been made.

[2] Fiscal year 1962 agreements provide that a specific amount of foreign currency proceeds may be used under various U.S.-use categories, including currency uses which are limited to amounts as may be specified in appropriation acts. Included are uses specified under subsecs. 104 (a), (b), (f), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), (r), (s), and sometimes (c) and (d) insofar as specified in agreements.

[3] Amounts shown in this column may differ from amounts on table I, which reflect purchase authorization transactions.

The PRESIDING OFFICER. The time yielded to the Senator from Ohio has expired.

The question is on agreeing to the amendment of the Senator from Virginia.

Mr. PASTORE. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from Rhode Island will state it.

Mr. PASTORE. Is the amendment of the Senator from Virginia open to amendment?

The PRESIDING OFFICER. It is.

Mr. PASTORE. Must all time available on the amendment be either used or yielded back before an amendment to that amendment will be in order?

The PRESIDING OFFICER. Yes.

Mr. PASTORE. Mr. President, let me inquire how much time remains available on the amendment of the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Louisiana has 6 minutes remaining under his control; the Senator from Virginia has 5 minutes remaining under his control.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. What time remains for debate on the bill itself?

The PRESIDING OFFICER. The proponents have 95 minutes, and the opponents 46.

Mr. CURTIS. Mr. President, may I be yielded a little time?

Mr. ELLENDER. I yield 3 minutes to the Senator from Nebraska.

Mr. CURTIS. I rise to ask a question about a section in this bill which I think has a bearing upon the amendment of the distinguished Senator from Virginia, which amendment I expect to support.

I invite the attention of the chairman of the committee, as well as other Senators, to page 10 of the bill, beginning on line 19, and running through line 2 on the following page. That section reads:

In entering into agreements with friendly nations for the sale of surplus agricultural commodities, the President may, to the extent deemed practicable and in the best interests of the United States, permit other friendly and historic supplying nations to participate in supplying such commodities under the sales agreement on the same terms and conditions as those applicable to the United States.

My question is, Does that mean that we are to start marketing the surpluses of other countries under Public Law 480 and other arrangements wherein we have tried to get rid of our surpluses?

Mr. ELLENDER. The section to which the Senator refers deals with the sale of grains for cash, but not for soft currencies.

Mr. CURTIS. Does it not refer to the long-time credit which can be extended by the Commodity Credit Corporation?

Mr. ELLENDER. That is correct.

Mr. CURTIS. In other words, there is a departure. Notwithstanding that we have fallen very short of the mark in getting rid of our own surpluses, we are authorizing the President of the United States to use money to market the surpluses of other nations in the world.

Mr. ELLENDER. That is already in the law.

Mr. CURTIS. Why is it in this measure?

Mr. ELLENDER. The reason is that every time the President made attempts to persuade other countries to cooperate, the effort required much time, and it was always to no avail, because it was mandatory in the law. Now we make it optional. He does not have to do it.

Mr. CURTIS. Under this provision he cannot do anything the existing law does not permit him to do?

Mr. ELLENDER. No.

Mr. CURTIS. Has it been done in the past?

Mr. ELLENDER. The President has tried to persuade other countries to cooperate in furnishing food, but he has failed.

Mr. CURTIS. But this language refers to a sale.

Mr. ELLENDER. I understand, but that is what it means. It is for the purpose of making available a pool of food of all kinds in order to relieve people in underdeveloped countries.

Mr. HUMPHREY. Mr. President, will the Senator yield to me?

Mr. CURTIS. I yield, if I have time.

Mr. HUMPHREY. Section 405 relates to the language in section 404, which deals with sales of our commodities for dollars with interest, as the Secretary of the Treasury may determine. That is what the Senator from Louisiana was saying. This provides for an agreement in which sales are not made in soft currencies, but for dollars.

Section 404 now reads:

In carrying out the provisions of this title, the Secretary of Agriculture shall endeavor

to maximize the sale of United States agricultural commodities taking such reasonable precautions as he determines necessary to avoid replacing any sales which the Secretary finds and determines would otherwise be made for cash dollars.

Section 405 reads:

In entering into such agreements, the Secretary shall endeavor to reach agreement with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis.

In other words, under the long-term credit agreements provided for in existing law, the Secretary of Agriculture had to make sure no other country's regular sales were being interfered with or that any other country's normal commercial contracts were being interfered with. In the proposed new law we are saying that they will have to take care of themselves.

Mr. CURTIS. This is a change beyond the change from "shall" to "may."

Mr. HUMPHREY. That is in the new language.

Mr. CURTIS. The new language would indicate that we would sell surpluses of foreign countries, but we would provide the credit.

Mr. HUMPHREY. No; the Senator is in error.

Mr. CURTIS. Then I misunderstood the reply of the Chairman about the meaning of "under the same terms and conditions."

Mr. HUMPHREY. No; every time we made long-term contracts under the old law we had to take into consideration the effect on the market conditions of some other country that had surpluses. These were and are friendly countries.

Mr. CURTIS. The provision does not so state.

Mr. HUMPHREY. The language is changed from "shall" to "may," and gives the Secretary the right to make a few more sales.

Mr. CURTIS. As I followed the distinguished Senator, there was a greater change than that.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, how much time have I left?

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. ELLENDER. I wish to take 1 minute on the bill.

The PRESIDING OFFICER. The Senator from Louisiana yields himself time on the bill.

Mr. ELLENDER. The amendment of the distinguished Senator from Virginia has some merit, but it strikes me that we should give consideration to it by a study, because we must not forget that, even under Public Law 480, relative to sales and donations, we assume the cost of carrying all these goods abroad and also the cost of storage abroad. I do not know what would be involved there. It seems to me that a proposal of this kind should receive the study of the committee, and that we should work on the problem in connection with the disposal plan under Public Law 480.

On the other hand, we are about to consider a bill in which Congress will be asked to appropriate millions of dollars to help our friends across the seas; and it may be possible to use some of the surpluses rather than dollars. I suggest that that be done in connection with the foreign aid bill that will come up. Let us study this problem and try to deal with it in connection with Public Law 480.

Mr. PASTORE. Mr. President, I offer an amendment to the pending amendment.

The PRESIDING OFFICER. The amendment of the Senator from Rhode Island to the amendment of the Senator from Virginia will be stated.

Mr. PASTORE. Mr. President, on behalf of myself and the Senator from Minnesota [Mr. HUMPHREY], I move to amend the Robertson amendment by adding in section 204, subsection (a), after the word "sorghums" on line 3, the following: "wheat, vegetable oils, dried milk, cheese and butter."

The reason for the amendment is very simple.

The PRESIDING OFFICER. How much time does the Senator allow himself?

Mr. PASTORE. I have 10 minutes. I will allow myself 5 minutes initially.

If we are to follow the policy suggested—and I am not suggesting that the invitation that has been made by the distinguished chairman who is in charge of the bill should not be followed, namely, that the proposal should be taken back to the committee where it can be studied at some length.

The Senator from Rhode Island is not interested in this amendment for the reasons explained by the Senator from Virginia. The Senator from Rhode Island is interested in this amendment only because of the moral value involved. We have been talking for days about grains, wheat, dried milk, vegetables, and all the other agricultural products that we have in abundance, we have been talking at length about the expense involved in keeping the commodities in storage and all the scandals that have developed.

It is quite apparent that the American people have more than they can eat. That is the reason why we have the agricultural problem. That is the reason why we say we ought to cut down on the acreage in production, because American farmers are growing too much.

If we do not eat the food and if we do not cut down on the acreage in production, about all we can do is to destroy it or to give it away. Many people of the world are crying for food. We have seen the dramatic pictures published in the newspapers and the stories about the refugees who are coming out of Red China and going into Hong Kong.

If we have these grains in surplus, if we have this extra food, if it is true that we have more than we can use and if it is true that it is costing so much to keep it in storage—if it is true that even now it is spoiling and being despoiled—why not give it to some hungry little child? And I care not where that child happens to live in the world today. For that reason, I ask approval of the amendment, so that it can be perfected. If the committee wishes to consider it further, to take it to conference, to work it out, that is perfectly satisfactory to the Senator from Rhode Island.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. ROBERTSON. The principle is the same. I accept the amendment. I left out wheat because I feared that we would get into conflict with the provision: "interfere with or adversely affect commercial trade and sales of such commodities."

One can easily see, if we authorize sending butter overseas, that the next time a person buys some butter he can be sure he will be getting fresh butter instead of butter which is possibly 2 years old.

I do not mind putting in the butter, along with cheese or milk or anything else the U.S. Government has stored up. I accept the amendment.

Mr. PASTORE. I thank the Senator from Virginia. This is not a program for giving away the commodities irrationally. Under the law the President now can give away up to $300 million worth. All the proposal would do is raise the ceiling.

A protective clause is provided. It is provided:

The President shall take reasonable precaution to insure that dispositions of commodities made under the provisions of this section do not interfere with or adversely affect commercial trade and sales of such commodities which might otherwise be made.

All we would do is raise the ceiling from $300 million, at the discretion of the President of the United States, at a time when in the Senate of the United States we are discussing surpluses, and how we can cut down acreage in production, when at the same time millions of people are crying out for food in other parts of the world.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. HUMPHREY. The amendment may be a very advantageous one. If we go into a program of feeding refugees, as has been suggested on the floor of the Senate, it could be very advantageous. Such a resolution was submitted by the distinguished Senator from Connecticut [Mr. DODD]. The President is talking about the program, and so is the State Department. We might well need to lift this particular ceiling in the existing law.

I was very happy to join with the Senator from Rhode Island with respect to the expansion of the items in the amendment proposed by the Senator from Virginia. I say, in all due respect, that this would provide some immediate relief. I do not say that feed grains would not be helpful. I say that they would have to be converted into usable foods.

The suggestion of the Senator from Rhode Island [Mr. PASTORE], of broadening the scope of the items which are in surplus, is a usable and helpful suggestion. I hope that the Senate will agree to the amendment. I appreciate the fact that the Senator from Virginia, with his customary generosity and compassion has accepted it.

Mr. RUSSELL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. RUSSELL. If the distinguished Senator from Virginia has accepted the amendment, it has become a part of his original text, has it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. RUSSELL. Other amendments to the amendment would be in order?

The PRESIDING OFFICER. The Senator is correct.

Mr. RUSSELL. Mr. President, I desire to offer an amendment. After the last word in the amendment to the Robertson amendment I offer an amendment to insert "and cotton." [Laughter.]

Mr. President, I yield myself 3 minutes.

It has been proposed to fill the stomachs of naked people. If we wish to demonstrate such great generosity as we have heard poured out on the floor of the Senate, I think we should go all the way.

Mr. LAUSCHE. Mr. President, I do not understand the Senator's amendment.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. PASTORE. Is it within the province of the Senator from Rhode Island to accept the amendment of the Senator from Georgia?

Mr. RUSSELL. I do not know. I hope it is.

Mr. PASTORE. If it is, I do.

Mr. LAUSCHE. Is there anything else we can give away? [Laughter.]

Mr. MUNDT. Mr. President——

Mr. COOPER. Mr. President——

Mr. LAUSCHE. Tobacco?

The PRESIDING OFFICER. The Senator from Georgia has the floor.

Mr. LAUSCHE. Peanuts?

Mr. ELLENDER. Rice?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia has the floor.

Mr. RUSSELL. Mr. President, I am hopeful that the Senator from Virginia will be as generous and gracious in this respect as he was with reference to milk and butter and wheat. Certainly it would do no good to feed these people and to have them freeze, or exposed to the elements with no clothing.

Think of it. Think of the situation. We are getting ready to give away several billion dollars worth of foodstuffs of one kind and another, to feed these poor, hungry creatures, but we do not propose to do one thing on earth to remedy their nakedness, which leaves them exposed to the elements with their arms full of food—butter, cheese, milk, wheat, bread—without clothes sufficient to cover their nakedness.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Virginia.

Mr. ROBERTSON. I was under the impression that we were not losing any money on the cotton program.

Mr. RUSSELL. We are selling cotton at 8 cents a pound below what we have invested in it today all over the world. We are selling cotton for soft currencies now, and are giving those soft currencies to the countries in which the cotton is sold.

The cotton program has not proved to be as expensive as some of the other programs, because the surplus has not been so great, but there are available in this country several million bales of cotton of a type and texture which our mills cannot spin, which could be spun in the mills in Hong Kong or in China or elsewhere, to take care of the poor people who are so destitute and distressed.

Mr. ROBERTSON. The amendment of the Senator from Virginia reads in part as follows:

> The President shall take reasonable precaution to insure that dispositions of commodities made under the provisions of this section do not interfere with or adversely affect commercial trade and sales of such commodities which might otherwise be made.

We could not give away cotton without violating that provision of my amendment.

The amendment was limited first to feed grains. As the distinguished Senator from Minnesota said, one has to live in the South and learn how to make cornbread in order to learn to like to eat it. All over Europe the people have never eaten cornbread, and they would not like it, but they would eat it before they would starve to death.

Mr. RUSSELL. Those people have been wearing cotton garments. They are accustomed to that.

Mr. ROBERTSON. But that involves trade. That would violate the provisions of the amendment. Originally I did not put in the wheat or butter.

Mr. RUSSELL. The Senator accepted wheat. The Senator put it in his amendment. It is now in the Robertson amendment. The Senator accepted milk, dried eggs, vegetable oils, butter, and other commodities.

Mr. ROBERTSON. But the proponent of that suggestion said that he was a humanitarian, and I could not say that I was not. [Laughter.]

Mr. RUSSELL. Mr. President, I am trying to get in on this humanitarianism.

Mr. HUMPHREY and Mr. DIRKSEN addressed the Chair.

Mr. RUSSELL. Is this a closed deal? Is there some monopoly involved, so that only the Senators from Minnesota, Rhode Island and Virginia can pose as humanitarians on this floor?

Mr. HUMPHREY. Mr. President, will the Senator yield? I think I was the first to suggest cotton. I do not wish to have the Senator leave me out. I remember the admonition in the Good Book that we should feed the hungry, heal the sick, and clothe the naked.

Mr. RUSSELL. Mr. President, I was preparing to say that I wished to quote from the same source. The Senator from Virginia has referred to "needy people." Need is not measured by food alone. Indeed, the Good Book says that man cannot live by bread alone. We realize that man must have some clothing.

Mr. SALTONSTALL and Mr. DIRKSEN addressed the Chair.

Mr. RUSSELL. I yield first to the Senator from Massachusetts.

Mr. SALTONSTALL. We have been working on the problem of the textile mills of our area for a long time. We have been trying to build up the textile industry. If the United States should give away all of its cotton, how could we operate our textile mills?

Mr. RUSSELL. Unfortunately, there is a great deal of cotton which the mills in Massachusetts will not spin. It is of poor quality. The people of Massachusetts, of course, are "eating so high on the hog" now, under the circumstances as they exist, that they are able to buy the finer grades of cotton, the broadcloth.

Mr. SALTONSTALL. Mr. President, I agree with the Senator that there is no way of knowing the total effect of the amendment.

Mr. RUSSELL. Mr. President, I yield to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, in relation to the question raised by the distinguished Senator from Georgia, I should like to say that on Sunday next the very distinguished Senator from Virginia [Mr. ROBERTSON] will have reached the ripe old age of 3 score and 15 years. He is in a compassionate frame of mind. Those fatherly and grandfatherly attributes of the spirit of loving kindness have developed in him, and now any other Senator who wants to be included in support of the amendment ought to ask the Senator while he is in that frame of mind.

Mr. RUSSELL. Mr. President, I have been urging the distinguished Senator to accept the amendment since we have a surplus.

Mr. DIRKSEN. He ought to.

Mr. RUSSELL. Certainly he should accept the amendment. He has accepted an amendment pertaining to butter, an amendment pertaining to cheese, an amendment pertaining to dried milk, and an amendment pertaining to wheat. Yet he has not shown any enthusiasm to accept an amendment in order that the beneficiaries of all the various foodstuffs might likewise have the hope and aspiration that every human being is entitled to have that he will own one shirt that is neither patched nor has a number of holes in it.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. RUSSELL. I yield.

Mr. PASTORE. Without trying to pry into the personal reactions of the Senator from Georgia, if the amendment is accepted as to cotton, does the Senator intend to vote for the amendment as amended?

Mr. RUSSELL. Mr. President, I think the question is entirely beside the point. It is a non sequitur. It has nothing whatever to do with the issues before the Senate. I believe that cotton is entitled to consideration. I hope the amendment will be accepted.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, is time available on the amendment?

Mr. ELLENDER. I yield to the Senator from Minnesota. I believe I have 3 minutes remaining.

Mr. HUMPHREY. Mr. President, what disturbs me about this entire question is that in this period of great suffering we are making light of an unbelievable situation in which famine stalks the land and millions of people are facing dire tragedy. Frankly, I do not like the idea of an open end amendment. I do not think it is the right way to proceed.

On July 20, 1961, we enacted Public Law 8792, which amended the Mutual Security Act. Under section 203, referring to title II of the Agricultural Trade Development and Assistance Act of 1954, which is Public Law 480, we established in section 203 a fund of $300 million, to be made reimbursable by the Commodity Credit Corporation, for purposes of relief and assistance to needy people.

That law covers anything that the Government might have available to assist needy people. It seems to me unkind and almost immoral for us to be thinking up one commodity after another that we can include under the kind of provision proposed. If we wish to help needy people—and I think that is what we want to do—all we need to do is, first, to use section 203. I do not believe the funds available under that section are exhausted. If they are exhausted, the President can recommend an increase in the ceiling to $350 million or $400 million so that the Congress can initiate action on its own. Then we shall not be in the rather unsightly and, it seems to me, rather crude position of thinking about each one of our respective commodities.

Frankly, I feel that feed grains, as such, offer little or no assistance. The Senator from Georgia has every right to include cotton, because surely there is a need for clothing and raiment. The amendment offered by the Senator from Rhode Island is even more pertinent in terms of relieving human suffering.

But I suggest that there is an answer. Because of the respect the Senate should want from the people of the United States, the Senator ought to withdraw the amendment. We ought to face our responsibility; and if we need to have $400 million as a ceiling figure under section 203, that can be provided. The American people will not let hungry people starve. We never have done so. This Nation has a record of charity, assistance, and compassion second to none.

I submit that the report given by the Senator from Kansas and others about what has been done under Public Law 480 indicates unbelievable generosity. We have never failed in our responsibilities.

I appeal to my colleague from Virginia, if he will do so, in order to simplify the situation, to withdraw his amendment. If he withdraws the amendment, I believe we can rest assured that there will be no suffering that will go unnoticed, and that the Government of the United States will fulfill its responsibilities under acts of Congress already on the statute books.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SALTONSTALL. I heartily agree with the distinguished Senator from Minnesota. I shall vote against the amendment, not because I do not want to feed the hungry people in the world, but because I have no idea what the effect of the amendment would be on our economy or what it would do in relation to other laws. While perhaps we have been a little light in some of the debate, when we vote against the amendment, we shall not be voting against assisting hungry people, but because we do not know what the effect of the amendment would be on the proposed law or any other laws on our statute books. I hope the Senator will withdraw his amendment. If he does not, I shall vote against it for the reason stated, and not because I do not want to feed hungry people.

Mr. HUMPHREY. Mr. President, it would be a great tragedy if there were a misunderstanding of the votes of the distinguished Members of this body. There is not a Senator who is without a sense of compassion.

Mr. ROBERTSON. Mr. President, the Senator from Virginia has welcomed this opportunity to renew his devotion to the fundamental principle of private enterprise, and to offer what he thought would be a small approach to the problems of our farmers in connection with one segment of that principle. Far be it from me, on the verge of being an old man, to throw this distinguished Chamber into disagreement. If it is unanimously agreed that I may withdraw the amendment——

Mr. CASE of South Dakota. Mr. President, before the Senator makes that request, will he permit me to offer an additional amendment to his amendment?

Mr. ROBERTSON. The Senator will have to be recognized.

Mr. CASE of South Dakota. Mr. President, I desire to offer an amendment.

The PRESIDING OFFICER. An amendment is now pending.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CASE of South Dakota. What amendment is pending?

The PRESIDING OFFICER. The Russell amendment.

Mr. CASE of South Dakota. Has that amendment not been accepted?

The PRESIDING OFFICER. The amendment has not been accepted.

Mr. ROBERTSON. Mr. President, I thought my amendment would serve two purposes. First, we could save the money that we are now spending on feed grains. The farmers would have an opportunity to get out from under control. Of course, they would give up the 75 percent support provision of the law, and we would perhaps go back to below 50 percent. But farmers would have that freedom. At the same time I thought that the starving people in Hong Kong and elsewhere would rather eat cornmeal than die. It seems that my amendment has not met with universal approval. Some Senators feel that other products should be included. I ask unanimous consent that I may be permitted to withdraw the amendment.

Mr. CASE of South Dakota. Mr. President, reserving the right to object——

Mr. ROBERTSON. Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment has been withdrawn by the Senator from Virginia.

Mr. CASE of South Dakota. Mr. President, who is in control of the time?

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. CASE of South Dakota. Mr. President, will the Senator from Louisiana yield me five minutes on the bill?

Mr. ELLENDER. I yield the Senator from South Dakota 5 minutes on the bill.

Mr. CASE of South Dakota. For the purpose of clarification, I was about to suggest an amendment to the amendment offered by the Senator from Virginia, which at the end of paragraph (C) would have added some additional directives. I think it is important to keep everything in perspective. The amendment offered by the Senator from Virginia provided, in paragraph (c), as follows:

> (c) The President shall take reasonable precaution to insure that dispositions of commodities made under the provisions of this section do not interfere with or adversely affect commercial trade and sales of such commodities which might otherwise be made.

Had the amendment continued to be under consideration by the Senate, I would have proposed adding:

> And the President shall take such additional measures as may be necessary to prevent the commodities disposed of under this section from being sold or resold in black market operations.

As I indicated last night, I am in sympathy with the objective of making food surpluses available to the refugees from Communist China.

I have vivid memories of being in Kunming in 1945, during World War II, when Nationalist China was our ally, and when former Representative from Michigan Albert Engel went to the black market in Kunming and there found jeeps and tires of U.S. origin and manufacture being sold in the black market of Kunming.

As he ran down the matter and reported it to our subcommittee at the time, it developed that one of the principal operators in the black market was either the brother-in-law or son-in-law of the then Governor of Yunnan Province.

I do not believe it is possible to engage in any large scale largess, such as was proposed by the amendment of the Senator from Virginia, without awakening at least the possibility that these supplies in large quantities will fall into the hands of some people who would not be above selling or reselling the goods, whether or not such sale interfered with sales in the normal commercial trade, and making a profit from the disposition of such commodities.

That is why, had the amendment remained before the Senate, I would have offered that amendment to it. I have

put it in the RECORD at this time because, should any such proposal develop during the course of the further deliberations on the bill, or in consultation with the House in conference, I believe we should be very careful that large quantities of foodstuffs, made available with the best of intentions, will not be stored in warehouses or cached somewhere by someone who would use them for resale at a profit to himself in black market operations.

I am not impugning the motives of the Nationalist Chinese Government as such. I do know that there is some cupidity among certain members of the human race, and we should guard against it if we engage in large scale largess, such as has been suggested.

Mr. YOUNG of North Dakota. Mr. President, I call up my amendment identified as "5–21–62—B."

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 24 beginning with line 1, strike out all through line 10, and insert in lieu thereof the following:

(1) By amending subsection (e) thereof by striking out in the first sentence thereof "any of the 1962, 1963, and 1964 crops" and inserting in lieu thereof "the 1962 crop".

On page 25, lines 3 and 4, strike out "(other than Durum wheat to which subsections (e) and (h) are applicable)".

Mr. YOUNG of North Dakota. Mr. President, my amendment merely provides for striking from the wheat certificate section of the bill the Durum program which I was successful in getting approved by Congress last year. Under this program, farmers this year have been permitted to increase their Durum wheat acreage by 40 percent. This has been of considerable help to our producers as well as more adequately meeting consumer needs.

It is my proposal to eliminate this program because the language starting at the tope of page 25 in Senate bill 3225 which I sponsored in committee also permits the Secretary to increase the allotments of any kind of wheat, the supply of which is inadequate to provide for a sufficient quantity to satisfy the demand for that type of wheat. This provision will take care of the Durum situation at least as well as the special legislation which I sponsored last year. It is my belief that having one program for the increase in production of kinds of wheat in short supply would make the overall farm program simpler and more easily administered.

On page 19 of the Senate Agriculture Committee's report on Senate bill 3225, appears a table showing the production, disappearance, and carryover of wheat by classes. I ask unanimous consent that this table appear in the RECORD as part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 12.—*Wheat: Estimated supply and distribution by classes, United States, 1957–61*

[In millions of bushels]

Item	Hard Red Winter	Soft Red Winter	Hard Red Spring	Durum	White	Total
1957–58						
Carryover, July 1, 1957	648	10	196	13	42	909
Production	429	155	169	40	163	956
Imports [1]			11			11
Supply	1,077	165	376	53	205	1,876
Exports, including shipments [2]	219	30	38	1	118	406
Domestic disappearance [3]	245	129	135	27	53	589
Carryover, June 30, 1958	613	6	203	25	34	881
1958–59						
Carryover, July 1, 1958	613	6	203	25	34	881
Production	836	192	233	22	174	1,457
Imports [1]			8			8
Supply	1,449	198	444	47	208	2,346
Exports, including shipments [2]	259	43	46	1	98	447
Domestic disappearance [3]	251	134	147	27	45	604
Carryover, June 30, 1959	939	21	251	19	65	1,295
1959–60						
Carryover, July 1, 1959	939	21	251	19	65	1,295
Production	620	156	151	20	174	1,121
Imports [1]			7			7
Supply	1,559	177	409	39	239	2,423
1959–60—Continued						
Exports, including shipments [2]	292	40	49	1	130	512
Domestic disappearance [3]	261	127	142	24	43	597
Carryover, June 30, 1960	1,006	10	218	12	66	1,314
1960–61 [4]						
Carryover, July 1, 1960	1,006	10	218	14	66	1,314
Production	794	190	188	34	151	1,357
Imports [1]			8			8
Supply	1,800	200	414	48	217	2,679
Exports, including shipments [2]	430	55	35	6	138	664
Domestic disappearance [3]	261	133	142	26	41	603
Carryover, June 30, 1961	1,109	12	237	16	38	1,412
1961–62 [4 5]						
Carryover, July 1, 1961	1,109	12	237	16	38	1,412
Production	755	203	116	19	142	1,235
Imports [1]			8			8
Supply	1,864	215	361	35	180	2,655
Exports, including shipments [2]	468	49	42	15	104	678
Domestic disappearance [3]	253	133	139	18	44	587
Carryover, June 30, 1962	1,143	33	180	2	32	1,390

[1] Excludes imports for milling in bond and export as flour.
[2] Includes shipments to Alaska and Hawaii and the U.S. territories. Includes exports for relief or charity by individuals and private agencies.
[3] Wheat for food (including military food use at home and abroad), feed, seed, and industry.
[4] Preliminary.
[5] Imports and distribution are estimated.

NOTE.—Figures by classes are not based on survey or enumeration data and are therefore only approximations. Estimated stocks on farms and in interior mills, elevators, and warehouses, by kinds, are assumed to be present in about the same proportion as produced; the classes within kinds are established on the basis of the quinquennial wheat-variety surveys. Commercial stocks and CCC inventories are reported by classes. Exports by classes are estimated on the basis of "inspection for export" for wheat as grain and on the basis of the area from which exports are made for flour.

Data for 1944–56 in "The Wheat Situation," August 1959, p. 12; data for 1929–43 in "The Wheat Situation," February 1958, p. 10.

Mr. ELLENDER. Mr. President, I have consulted with my good friend, the Senator from North Dakota. There is no objection to the amendment. As I understand, he wishes to repeal the special Durum part of the provision, effective with the 1963 crop, and include Durum under the general provision for increasing allotments of kinds of wheat in short supply.

Mr. YOUNG of North Dakota. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota.

The amendment was agreed to.

Mr. YOUNG of North Dakota. Mr. President, I call up my amendment identified as "5–23–62—G."

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 35 between lines 5 and 6, insert the following:

(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage."

Renumber the remaining subsections accordingly.

Mr. YOUNG of North Dakota. Mr. President, this amendment would amend the wheat marketing certificate program to provide that during the years 1963, 1964, and 1965 the Secretary could permit acreage diverted from the production of wheat to be devoted to the production of guar, seasame, safflower, sunflower, castor beans, other annual field crops for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage. Producers would not be eligible for price supports on these crops, and in no event could diversion payments be in excess of one-half of the rate which would otherwise be applicable if such acreage were devoted to conservation uses. These provisions are identical to those enacted by the Congress in Public Law 87-451, 87th Congress, which applies to the 1962 special wheat diversion program.

Mr. ELLENDER. In his amendment, does the Senator apply the same regulation that was adopted yesterday with respect to diverted acres?

Mr. YOUNG of North Dakota. That is correct.

Mr. ELLENDER. We have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota.

The amendment was agreed to.

Mr. CARLSON. Mr. President, I send an amendment to the desk. I ask that the amendment be not read, but that it be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 18, between lines 17 and 18, insert the following:

"PROGRAM BEGINNING WITH 1964 CROP"

On page 24, beginning with line 20, strike out down through line 23.

On page 32, line 18, strike out "1963, 1964 and 1965" and substitute "1964, 1965, and 1966".

On page 41, strike out "1963" in lines 9 and 10, and substitute "1964".

On page 42, strike out "1963"' in line 15, and substitute "1964".

On page 51, strike out "1963" in line 25, and substitute "1964".

On page 54, after line 10 insert the following:

"Program for 1963

"SEC. 326. Section 334(c) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding a new subparagraph (3) to read as follows:

"'(3) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1963 crop of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 10 per centum.'

"SEC. 327. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (1)), the following provisions shall apply to the 1963 crop of wheat:

"'(1) If a national marketing quota for wheat is in effect for the marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for such crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment based upon the average yield per acre for the entire wheat acreage on the farm: *Provided, however,* That the farm marketing excess shall not be larger than the amount by which the actual production, so established, exceeds the normal production of the farm wheat acreage allotment.'

"(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (2)), the rate of penalty on wheat of the 1963 crop shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested.

"(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (3)), the following provisions shall apply to the 1963 crop of wheat:

"'(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon twice the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of twice the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or friendly foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce.'

"(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (7)), is amended to read as follows:

"'(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which, under regulations prescribed by the Secretary, the actual acreage planted to wheat for harvest of such crop does not exceed fifteen acres: *Provided, however,* That a farm marketing quota on the 1962 and 1963 crops of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) thirteen and five-tenths acres, or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, or 1961.'

"(e) The last sentence of section 336 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1336), is amended to read as follows: ["'Notwithstanding any other provision hereof, farmers who have not produced in excess of thirteen and five-tenths acres of wheat in at least one of the years 1959, 1960, or 1961, shall not be entitled to vote in the referendum conducted with respect to the national marketing quota for the marketing years beginning July 1, 1962, and July 1, 1963.'

"SEC. 328. Price support for the 1963 crop of wheat shall be made available, as provided in section 101 of the Agricultural Act of 1949, as amended, except that price support shall be made available only to cooperators, only in the commercial wheat-producing area, and if marketing quotas are in effect for the crop of wheat, wheat of such crop shall be eligible for price support only if the producers on the farm on which the wheat is produced participate in the special wheat program formulated under section 329 to the extent prescribed by the Secretary.

"SEC. 329. (a) If marketing quotas are in effect for the 1963 crop of wheat, producers on any farm, except a farm on which a new farm wheat allotment is established for the crop, in the commercial wheat-producing area shall be entitled to payments determined as provided in subsection (b) upon compliance with the conditions hereinafter prescribed:

"(1) Such producers shall divert from the production of wheat an acreage on the farm equal to either (i) 10 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961: *Provided,* That such acreage in each of such years did not exceed fifteen acres, or (ii) 10 per centum of the farm acreage allotment for the crop of wheat which would be in effect except for the reduction thereof as provided in section 334(c)(3) of the Agricultural Adjustment Act of 1938, as amended.

"(2) Such diverted acreage shall be devoted to conservation uses including summer fallow, approved by the Secretary, and such measures shall be taken as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents: *Provided,* That such diverted acreage may be devoted to castor beans, guar, safflower, sunflower, or sesame, if designated by the Secretary, subject to the condition that no payment shall be made with respect to diverted acreage devoted to any such commodity.

"(3) The total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land, but excluding the acreage diverted as provided above and acreage diverted under the special program for feed grains, shall not be less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm in 1959 and 1960. Certification by the producer with respect to such acreage may be accepted as evidence of compliance with the foregoing provision. The total average acreage devoted to soil-conserving uses, including summer fallow and idle land, in 1959 and 1960, shall be subject to adjustment to the extent the Secretary determines appropriate for abnormal weather conditions or other factors affecting production, established crop-rotation practices on the farm, changes in the constitution of the farm, participation in other Federal farm programs, or to give effect to the provisions of law relating to release and reapportionment or preservation of history.

"(4) If the diversion of acreage is made pursuant to the provisions of (1) (i) of this subsection (a), the actual acreage of wheat planted on the farm for harvest shall not exceed 90 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961; and if the diversion of acreage is made pursuant to the provisions of (1)(ii) of this subsection (a), the farm shall be in compliance with the farm wheat acreage allotment.

"(b)(1) Upon compliance with the conditions prescribed in subsection (a) producers on the farm shall be entitled to payments which shall be made by Commodity Credit Corporation in cash or wheat equal to 45 per centum of the value, at the estimated basic county support rate per bushel for Number 1 wheat for the county in which the farm is considered as being located for the administration of farm marketing quotas for wheat, of the number of bushels equal to the adjusted yield per acre of wheat for the farm, multiplied by the number of diverted acres other than acres devoted to castor beans, guar, safflower, sunflower, or sesame.

"(2) The Secretary may make such adjustments in yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual yields for the farm for the 1959 and 1960 crop years, such yields shall be used in making determinations.

"(3) The Secretary shall provide by regulations for the sharing of payments among producers on the farm on a fair and equitable basis. The medium of payment shall be determined by the Secretary. If payments are made in wheat, the value of the payments in cash shall be converted to wheat at the market price of wheat as determined by Commodity Credit Corporation. Wheat received as payment-in-kind may be marketed without penalty but shall not be eligible for price support.

"(c)(1) Producers who divert acreage on the farm under subsection (a) may divert additional acreage on the farm not in excess of the larger of three times the amount diverted under subsection (a) or such acreage as will bring the total acreage diverted to ten acres: *Provided*, That the total acreage diverted under subsection (a) and this subsection (c) shall not exceed the larger of (i) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, 1961, but not to exceed ten acres or (ii) the wheat acreage allotment.

"(2) Payments shall be made with respect to the acreage diverted under this subsection (c) in accordance with the terms and conditions prescribed in subsection (a): *Provided*, That (i) 60 per centum shall be substituted for 45 per centum in computing the amount of the payment, (ii) the acreage diverted under this subsection (c) shall be added to and deemed to be acreage diverted under subsection (a) for the purposes of paragraphs (2) and (3) of subsection (a), and (iii) if the diversion under subsection (a) is made pursuant to (1)(i) of said subsection, the actual acreage planted to wheat for harvest on the farm, shall be reduced below the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961, by the total amount of acres diverted under subsection (a) and this subsection (c), or, if the diversion under subsection (a) is made pursuant to (1)(ii) of said subsection, the wheat acreage on the farm shall be reduced by the total amount of acres diverted under subsection (a) and this subsection (c) below whichever of the following acreages is the larger—

"(A) the farm acreage allotment for the crop of wheat which would be in effect except for the reduction thereof as provided in section 334(c)(3) of the Agricultural Adjustment Act of 1938, as amended;

"(B) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, or 1961, but not to exceed fifteen acres.

"(d) Any acreage diverted from the production of wheat to conservation uses for which payment is made under the program formulated pursuant to this section shall be in addition to any acreage diverted to conservation uses for which payment is made under any other Federal program except that the foregoing shall not preclude the making of cost-sharing payments under the agricultural conservation program or the Great Plains program for conservation practices carried out on any acreage devoted to soil-conserving uses under the program formulated pursuant to this section.

"(e) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under this section.

"(f) Not to exceed 50 per centum of any payment to producers under this section may be made in advance of determination of performance.

"(g) The program formulated pursuant to this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(h) Wheat stored to avoid or postpone a marketing quota penalty under the Agricultural Adjustment Act of 1938, as amended and supplemented, shall not be released from storage for underplanting based upon acreage diverted under subsection (c) above, and in determining production of the crop of wheat for the purpose of releasing wheat from storage on account of underproduction the normal yield of the acres diverted from the allotment shall be deemed to be actual production of wheat.

"(i) The Secretary is authorized to promulgate such regulations as may be necessary to carry out the provisions of this section.

"(j) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized herein and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

"(k) Section 334(e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for Durum wheat, is amended—

"(1) by striking out 'after reduction in the case of the 1962 crop as required by section 334(c)(2)' and inserting the following: 'after reduction as required by section 334(c)(2) or (3)', and

"(2) by striking out 'the special 1962 wheat program formulated under section 124 of the Agricultural Act of 1961' and inserting the following: 'the special wheat program for such crop formulated under section 124 of the Agricultural Act of 1961 or section 329 of the Food and Agricultural Act of 1962'.

"(l) Section 334(i) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments in the Tulelake area in California, is amended by inserting the following sentence immediately following the seventh sentence thereof: 'The special wheat program formulated under section 329 of the Food and Agriculture Act of 1962 shall not be applicable to any farm receiving an additional allotment under this subsection'."

Mr. CARLSON. Mr. President, this is a very simple amendment, even though it contains eight pages of written language. It was prepared by the staff of the Committee on Agriculture and Forestry. Its terms are very simple. It would defer from 1963 to 1964 the effective date of the certificate program for wheat. Senators who heard me discuss the certificate plan during the debate may remember that I said I did not believe there would be enough time to have the program sold to the farmers in the time that will remain between the passage of the bill and its signing by the President on the one hand, and the wheat planting season on the other. It would be unfair to the wheatgrowers to try to carry out the program unless there were sufficient time.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. CURTIS. I commend the Senator for offering his amendment. I shall support it.

Mr. PEARSON. Mr. President, I associate myself with the position taken by my colleague the senior Senator from Kansas [Mr. CARLSON]. The pending administration bill, incorporating in it elements of complete control and confusing terms, wide discretionary powers, and heavy penalties, submitted on an ultimatum basis, will undoubtedly pass.

The American farmers, with their technical skill and ingenuity and hard work, have produced surpluses in a world of want, and they deserve a better fate. Adjustments must be made. The Government must participate in these adjustments, for the basic fact of our times is that we are undergoing rapid and continuing change. Within the lifetime of many here, we have passed through two World Wars, the Korean conflict, the continuing cold war struggle, a world depression, and several recessions.

The communications and transportation systems have indeed made the earth one world, so that our east and west coasts conceivably join on the other side of the world.

Only yesterday we took another step into space. I think the American farmer has met the challenge, and I think the farm program, based on my conversations with farmers in my State, should be clear, understandable, and timely in its application, as this amendment would make it, and free of political pressures, as I believe this amendment would provide. I think the bill will be a failure without this amendment.

Mr. CARLSON. Mr. President, I do not wish to let the debate be closed without having the amendment made a part of the record. As I understand, it will be printed in the RECORD as offered.

The PRESIDING OFFICER. The Senator is correct.

Mr. CARLSON. I sincerely believe that if early action is not taken on the bill by the other body, and signature affixed by the President, the farmers will not receive the benefits intended by the bill. I hope the House of Representatives will give earnest consideration to my amendment. Therefore, I shall not press for action on it and will withdraw it at this time.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Kansas is withdrawn.

Mr. KEATING. Mr. President, on behalf of myself, Senator JAVITS, Senator SCOTT, Senator CASE of New Jersey, and Senator SALTONSTALL, I call up my amendment designated "5–23–62—P." I ask unanimous consent that the reading of the amendment be dispensed with and that the amendment be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be identified.

The LEGISLATIVE CLERK. The amendment is designated "5-23-62—P."

The PRESIDING OFFICER. Without objection, the amendment will be printed without reading.

The amendment is as follows:

On page 8, line 20, insert the following:

"SEC. 104. No agreement or payment shall be made under this title unless the Secretary determines that any public facilities which may be developed with Federal assistance will be available to all persons without discrimination on account of race."

Mr. KEATING. Mr. President, I shall take 3 minutes in which to explain the purpose of the amendment. At the end of that time, I understand the distinguished majority leader will move to table the amendment. I shall oppose that motion.

Mr. MANSFIELD. That is correct.

Mr. KEATING. Mr. President, the amendment provides that no agreement or payment shall be made under title I of this bill unless the Secretary of Agriculture determines that any public facilities which may be developed with Federal assistance will be available to all persons without discrimination on account of race.

The purpose of title I is to as allow the conversion of unneeded or uneconomic cropland to other uses, primarily recreational. This is not only a sensible way to curb agricultural overproduction, but it would also give tremendous encouragement to the development of additional recreational facilities for our rapidly growing urban areas. This is the one part of the bill which I regard with complete favor.

It is important, however, to make certain that none of the recreational facilities developed under this new program will be operated on a discriminatory basis. It would certainly be disgraceful if this noble plan for increasing the recreational resources of our Nation were tainted by invidious racial practices.

In my opinion, there is no possible justification for permitting facilities developed with Federal assistance to be used on a Jim Crow basis. It should not make any difference whether this assistance is in the form of loans or grants. It should not make any difference whether the facilities are operated by private or public agencies. It should not make any difference whether they are managed by the Federal Government or State authorities. If Federal tax moneys are involved in their acquisition, construction, or maintenance, they should be open to all Americans without regard to race. They should be public in the true sense, a place where all Americans can take their families without any fear that they will be excluded because of the color of their skins.

These considerations are by no means confined to the recreational facilities which may be developed under title I of this farm bill. They apply with equal force to the myriad of Federal grant-in-aid programs already in existence. Could anyone conceive of the Federal Government contributing tax funds to highway construction and allowing the States to restrict the use of the highways to white citizens only. Or if a State decided that instead of barring Negro autoists entirely that they would limit them to certain lanes on the roads, could anyone understand the Federal Government going along with such a scheme?

The fact is that the Federal Government is permitting arrangements similar in principle to these examples. It is permitting grants to be made for the construction of schools which it knows will be operated on a segregated basis. It is giving millions in research funds to segregated colleges knowing that they will be used by white students and faculty only. I want to be positive that the Federal Government will not now begin to contribute money for parks which will be open only to a selected group in our population. A man's desire to fish, or picnic does not depend on the color of his skin. His desire to enjoy an outing with his wife and children does not diminish because he is Negro. This bill must not allow any action by the States which would deny equal enjoyment of these recreational facilities by all of its inhabitants.

In my view, the bill cannot be construed even without this amendment to permit any assistance in any form to any person or agency except on condition that any recreational facilities developed be open to all without discrimination. The Constitution is part of every one of our enactments. Its letter and spirit control every statute we pass. Its commands cannot be ignored by officials in the executive department sworn to uphold the law just because the particular statute they administer does not reiterate all the controlling constitutional limitations on their actions. This statute is silent on the particular issue I am raising. But this is an eloquent silence and any gap it may appear to create is filled by the provisions of the Constitution vouchsafing the equal protection of the law to all Americans.

The legislative history on this point has been illuminating. During the debate on Monday, the Senator from Mississippi [Mr. EASTLAND] questioned the Senator from Vermont [Mr. AIKEN] on whether the facilities to be financed under this bill would be public facilities. When assured that they would be, Senator EASTLAND stated:

That means integrated recreational facilities, does it not?

The Senator from Vermont replied:

They certainly ought to be. It is the intention that there will be no discrimination against any people at all in any public recreational facilities where Federal money is involved. I do not think it would be in conformity with the Constitution to do otherwise.

On Tuesday, the Senator from Mississippi again brought up this question during the speech of the Senator from Florida [Mr. HOLLAND]. On that occasion he posed this query:

Is it not true that, under the interpretation which the Supreme Court places on the Constitution, these recreational facilities will be racially integrated facilities?

Senator HOLLAND replied:

The Senator from Florida so believes and would have no hesitancy in saying that is the case.

Whatever the purpose of the Senator from Mississippi may have been in asking these questions, he has succeeded in providing a clear legislative intent that no funds or other assistance can be provided under title I of this bill unless assurances are given that the facilities provided thereunder will be available on a nondiscriminatory basis.

Unfortunately, what is lacking is assurance that this legislative intent will be followed by the executive department. My apprehension in this regard is not merely speculative.

During the discussion of the Thurmond amendment, it was indicated by me that the legislative history of this measure made it clear that under title I, providing for recreational facilities, Federal funds could not be used to promote segregated facilities. Out of an abundance of caution, one of the staff called the General Counsel of the Department of Agriculture for his opinion. I have now been advised that it is the opinion of the General Counsel that the bill and the acts which it amends do not authorize or direct public recreational facilities developed with Federal assistance to be operated on an integrated basis. I have wired the Secretary of Agriculture, expressing surprise and disappointment at that ruling, and asking for a formal ruling. In my wire I said:

Have just been advised that the General Counsel of the Department of Agriculture has expressed the opinion that title I recreational facilities could be operated on a segregated basis. I cannot believe that this represents the position of the Department. The General Counsel's opinion is directly in conflict with the legislative history in the Senate which establishes the intent of the Senate that all such facilities be open without racial discrimination and flouts controlling constitutional principles. Would appreciate an immediate reply from you on the position of the Department of Agriculture.

I have not yet received any reply to this wire.

As I have indicated, there are a number of Federal grant-in-aid programs under which funds are granted without any consideration of whether the programs will be administered with due regard for constitutional limitations. The situation actually has reached the stage in which the Department of Justice has instituted or intervened in litigation after the fact in an attempt to undo discriminatory practices fostered with Government assistance. It has done this in connection with hospitals constructed under the Hill-Burton Act and in connection with schools constructed under the so-called impacted areas program.

It would certainly be more sensible for the Federal Government to take some preventive action under these programs rather than trying to undo in lengthy, costly and burdensome litigation something which could be avoided in the first place. The spectacle of one Government

department bringing suit because of the activities of another Federal department reveals an abysmal lack of coordination or an incredible lack of unity of objectives. This conflict between the departments could be straightened out by an Executive order which would require all the agencies of the Federal Government to insist upon a uniform policy of nondiscrimination under Federal grant programs. If the Senator from Mississippi concedes that such a policy is required by the Supreme Court's interpretation of the Constitution, why should any Federal agency be hesitant to accept this principle?

On Wednesday the House Labor and Education Committee reported legislation which would deny Federal aid to racially segregated schools under the impacted area program. It also reported a bill which would cut off Federal funds to land-grant colleges still practicing segregation. These measures should not be necessary. Their objectives can be fully accomplished by executive action. The testimony before the House committee by administration officials, however, left little doubt that no such administrative action would be forthcoming. The committee, apparently without dissent, therefore recommended that these specific antidiscrimination provisions be written into the pertinent statutes.

We are faced with much the same situation here. This amendment should not be necessary. The Constitution already requires what the amendment would require. The Constitution is not ambiguous or uncertain, but the officials administering these programs do not choose to give it full application. In the absence of assurance from the department that it will administer this program in a nondiscriminatory manner, the only safe course is to write this amendment into the law.

Mr. President, I reserve the remainder of my time.

Mr. MANSFIELD. Mr. President, I move to table the amendment offered by the Senator from New York.

Mr. KEATING. Mr. President, on that motion, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana to table the amendment offered by the Senator from New York [Mr. KEATING] for himself and other Senators. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Wyoming [Mr. HICKEY], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. MCGEE], and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in family.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from South Carolina [Mr. JOHNSTON, the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] are necessarily absent.

On this vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from Mississippi [Mr. STENNIS]. If present and voting, the Senator from Colorado would vote "nay," and the Senator from Mississippi would vote "yea."

On this vote, the Senator from Missouri [Mr. LONG] is paired with the Senator from Wyoming [Mr. MCGEE]. If present and voting, the Senator from Missouri would vote "nay," and the Senator from Wyoming would vote "yea."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Virginia [Mr. BYRD]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from Virginia would vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from New York [Mr. JAVITS]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from New York would vote "nay."

On this vote, the Senator from Arkansas [Mr. FULBRIGHT] is paired with the Senator from California [Mr. KUCHEL]. If present and voting, the Senator from Arkansas would vote "yea," and the Senator from California would vote "nay."

On this vote, the Senator from Wyoming [Mr. HICKEY] is paired with the Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from Wyoming would vote "yea," and the Senator from Wisconsin would vote "nay."

On this vote, the Senator from South Carolina [Mr. JOHNSTON] is paired with the Senator from Iowa [Mr. MILLER]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from Iowa would vote "nay."

I further announce that, if present and voting, the Senator from Louisiana [Mr. LONG] and the Senator from Washington [Mr. MAGNUSON] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from California [Mr. KUCHEL] is necessarily absent.

The Senator from Iowa [Mr. MILLER] is absent on official business.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate.

The Senator from New York [Mr. JAVITS] is detained on official business.

On this vote, the Senator from New York [Mr. JAVITS] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from New York would vote "nay," and the Senator from New Mexico would vote "yea."

On this vote, the Senator from California [Mr. KUCHEL] is paired with the Senator from Arkansas [Mr. FULBRIGHT]. If present and voting, the Senator from California would vote "nay," and the Senator from Arkansas would vote "yea."

On this vote, the Senator from Iowa [Mr. MILLER] is paired with the Senator from South Carolina [Mr. JOHNSTON]. If present and voting, the Senator from Iowa would vote "nay," and the Senator from South Carolina would vote "yea."

On this vote, the Senator from Wisconsin [Mr. WILEY] is paired with the Senator from Wyoming [Mr. HICKEY]. If present and voting, the Senator from Wisconsin would vote "nay," and the Senator from Wyoming would vote "yea."

The result was announced—yeas 43, nays 40, as follows:

[No. 64 Leg.]

YEAS—43

Anderson	Humphrey	Pastore
Bartlett	Jackson	Pell
Bible	Jordan	Randolph
Burdick	Kefauver	Robertson
Byrd, W. Va.	Kerr	Russell
Cannon	Long, Hawaii	Smathers
Church	Mansfield	Smith, Mass.
Eastland	McCarthy	Sparkman
Ellender	McClellan	Talmadge
Engle	McNamara	Thurmond
Ervin	Metcalf	Yarborough
Hartke	Monroney	Young, N. Dak.
Hayden	Moss	Young, Ohio
Hill	Muskie	
Holland	Neuberger	

NAYS—40

Aiken	Curtis	Mundt
Allott	Dirksen	Murphy
Beall	Dodd	Pearson
Bennett	Douglas	Prouty
Boggs	Dworshak	Proxmire
Bush	Fong	Saltonstall
Butler	Goldwater	Scott
Capehart	Hart	Smith, Maine
Carlson	Hickenlooper	Symington
Case, N.J.	Hruska	Tower
Case, S. Dak.	Keating	Williams, N.J.
Clark	Lausche	Williams, Del.
Cooper	Morse	
Cotton	Morton	

NOT VOTING—17

Byrd, Va.	Hickey	Magnuson
Carroll	Javits	McGee
Chavez	Johnston	Miller
Fulbright	Kuchel	Stennis
Gore	Long, Mo.	Wiley
Gruening	Long, La.	

So the motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ELLENDER. Mr. President, on behalf of the Senator from Arkansas [Mr. FULBRIGHT], who is necessarily absent, I submit an amendment which will clarify part of the bill; the amendment will permit fish farmers to be able to borrow money under the Consolidated Farmers Home Administration Act of 1961. I have no objection to the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 66, in line 20, it is proposed to strike out the word "and".

On page 66, in line 23, it is proposed to strike out the period, and to insert in lieu thereof a semicolon and the word "and".

On page 66, between lines 23 and 24, it is proposed to insert the following:

(5) By adding at the end thereof a new section as follows:

"SEC. 343. As used in this title (1) the term 'farmers' shall be deemed to include persons who are engaged in, or who, with assistance afforded under this title, intend to engage in, fish farming, and (2) the term 'farming' shall be deemed to include fish farming."

Mr. ELLENDER. I yield back my time.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. MUNDT. Mr. President, I call up my amendment of one word.

The PRESIDING OFFICER. The amendment of the Senator from South Dakota will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 23, at the end of line 20 of the so-called feed grain amendment by Mr. ELLENDER previously agreed to, to insert "including provision for the control of erosion,"

Mr. MUNDT. Mr. President, if I may have the attention of the chairman, I wish to say that I have discussed this amendment with him. I believe it is acceptable.

For the information of the Senate, I point out that the Secretary is empowered to have certain care provided on diverted acres. The section now provides that a person who owns the property and receives a benefit for diverted acres must follow certain measures to keep the land free from insects, weeds, and rodents.

I propose to include provision for the control of erosion, because in many areas of the country, both from water and wind erosion, land which is in the open will blow away and be rapidly eroded. I believe the chairman of the committee has no objection to the amendment.

Mr. ELLENDER. I have no objection, Mr. President.

The PRESIDING OFFICER. Is there objection to the amendment? Without objection, the amendment is agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I call up my amendment identified as "5-24-62—D," as modified.

The PRESIDING OFFICER. The amendment of the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. It is proposed on page 69, after line 16, to insert the following:

SEC. 405. Nothing contained herein shall be construed as authorizing sales of Commodity Credit Corporation-owned commodities, including sales against payment-in-kind certificates, other than in accordance with the provisions of section 407 of the Agricultural Act of 1949, as amended. Congress hereby reconfirms its longstanding policy of favoring the use by governmental agencies of the usual and customary channels, facilities, and arrangements of trade and commerce, and directs the Secretary of Agriculture and the Commodity Credit Corporation to the maximum extend practicable to adopt policies and procedures designed to minimize the acquisition of stocks by the Commodity Credit Corporation, to encourage orderly marketing of farm commodities through private competitive trade channels, both cooperative and noncooperative, and to obtain maximum returns in the marketplace for producers and for the Commodity Credit Corporation.

Mr. HUMPHREY. Mr. President, I have discussed this amendment with the chairman of the committee. The purpose of it is to remind the Commodity Credit Corporation that in this country we have private facilities and farmer-owned facilities that ought to be utilized in marketing and in transactions relating to agricultural commodities. It is an admonition to the Department, and I believe it is very much needed.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MUNDT. May I say that the amendment proposed by the Senator from Minnesota reaffirms and reexpresses a policy which this body has expressed previously as an amendment to the Agricultural Appropriation Act, which carries this same admonition.

Mr. HUMPHREY. That is exactly correct. This establishes it in the authorization legislation.

By the way, Mr. President, the junior Senator from Minnesota [Mr. MCCARTHY] also joins me in the amendment as a cosponsor.

Mr. ELLENDER. Mr. President, I have discussed this amendment with the Senator from Minnesota. There is no objection to it.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I send to the desk an amendment identified as "5-21-62—F," and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. It is proposed, at the proper place in the bill, to insert a new section as follows:

SEC. . It is hereby declared to be the sense of the Congress that the Secretary of Agriculture should, whenever he determines such action will result in more effective or more economical administration of this or any other Act administered by him, utilize the services and facilities of farmer-owned, farmer-managed associations of producers, and accord such associations no less favorable treatment under any such Act than that accorded individual producers or farmers.

Mr. HUMPHREY. Mr. President, this amendment has been discussed fully with the chairman of the committee, the Senator from Vermont [Mr. AIKEN], and other Senators. I believe it has met with approval.

Mr. ELLENDER. I have no objection. However, this does not mean that the associations mentioned in the amendment will receive preferential treatment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, just for the purposes of a very brief discussion, I call up my amendments identified as "5-21-62—H." I do so not with the intention of pressing the amendment, but merely for a word on it.

The PRESIDING OFFICER. The amendments of the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 66, between lines 17 and 18, to insert the following:

(3) By striking out in section 308 the figure "$150,000,000" and inserting in lieu thereof the figure "$300,000,000".

On page 66, line 18, strike out "(3)" and insert in lieu thereof "(4)".

On page 66, line 21, strike out "(4)" and insert in lieu thereof "(5)".

Mr. HUMPHREY. Mr. President, I discussed this amendment with both the chairman of the committee and the chairman of the Subcommittee on Farm Credit, the Senator from Florida [Mr. HOLLAND].

This is an amendment to the Farmers Home Administration Act. It would double the amount of insured loans. The provision of the Farmers Home Administration Act which provides moneys for regular farm operations is known as the insured loan program. The present authorization is $150 million.

It does not require Treasury appropriations; it requires, however, commitment by the Government in terms of insurance on loans, the same as we have in the housing administration known as the FHA.

The Senator from Florida [Mr. HOLLAND], in discussing this matter with me, suggested that it go through the regular processes of committee discussions and meeting. With that suggestion I have sympathy and understanding. I merely make this statement. At a later time I hope the Department of Agriculture will look into this matter, because I understand the amount of insured loans has been utilized up to the full authorization.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HOLLAND. I have stated to the Senator from Minnesota that I certainly have no hostility to his amendment, but I thought having it adopted when it has not been discussed by the committee, considering what is involved, would be a mistake in procedure, and I would not give approval to it. It has not been discussed by our subcommittee or the full committee. I would be glad to give speedy hearings on any proposal. As the Senator knows, I have agreed on two or three occasions, and the committee has agreed unanimously, to liberalization of the Farmers Home program. I hope the Senator will withdraw his amendment and proceed in the regular way, as I have suggested and as he has suggested.

Mr. HUMPHREY. I want to call to the attention of the chairman of the committee that I had intended to propose an amendment to section 102 of title I of the bill that would make sure the Department of Agriculture, under its land use program, particularly land used for conservation and recreation purposes would not engage in either development of industrial entrprises on that land or development of what we call industrial parks. We have the Small Business Administration and the Area Redevelopment Administration for those activities.

I wanted to make sure that the Secretary of Agriculture did not get into the industrial activities of these other two agencies, where there is broader supervision and evaluation.

In other words, I do not want to see a land-use program developed as a way and a means of enticing, if I may use that word, industrial enterprises from other areas, at the expense of the Department of Agriculture or of the taxpayers. We have industrial loan programs and redevelopment programs under the Area Redevelopment Administration and the Small Business Administration. Let us keep those activities there.

May I ask the chairman a question? As he understands title I, is it to be in-

terpreted so that the SBA and the ARA will undertake whatever industrial development purposes there may be for commercial use, and that the Department of Agriculture will limit its activities to rural renewal other than industrial, land use, land utilization, conservation, wildlife, and recreation?

Mr. ELLENDER. Yes. I want to say also, as the Senator knows, that on this feature of the measure, the matter is left entirely in the hands of local agencies.

Mr. HUMPHREY. Yes. I correctly understand, in other words, that the interpretation of section 102 is to assist local public authorities in providing rural renewal other than industrial, recreation, conservation, and protection of fish and wildlife, rather than the Department of Agriculture engaging in industrial activities.

Mr. ELLENDER. The Department of Agriculture would not engage in any projects under section 102. It would provide loans to State and local public bodies to assist them in carrying out land utilization projects for any purpose within the terms of the bill.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. HOLLAND. It is true, however, under the provisions of the bill, that loans up to $60,000 to an individual farmer can be made for those same purposes.

Mr. ELLENDER. Yes.

Mr. HOLLAND. And loans up to $500,000 can be made to an association of farmers for the same purposes.

Mr. HUMPHREY. For recreation and conservation.

Mr. ELLENDER. That is, to an individual association.

Mr. HUMPHREY. But not for industrial development.

Mr. HOLLAND. No.

Mr. HUMPHREY. I wished to make sure we would not put into the bill any industrial loan authority identical to that of the Small Business Administration and the Area Redevelopment Administration.

I note my friend from Ohio [Mr. LAUSCHE] is looking at me, no doubt wondering, "Why is the Senator from Minnesota so concerned about that?"

The reason is, I say quite frankly, there is a tendency for duplication when the loan programs are authorized. I wished to be sure that we would not set up another loan program for industrial purposes under the Department of Agriculture. For rural renewal, conservation, for recreation, and for the other purposes outlined in the proposed legislation, I am fully in accord with the proposal.

Mr. LAUSCHE. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. LAUSCHE. The position of the Senator from Louisiana is that the authority granted under the terms of the bill would cover those items enumerated in the bill. The Senator from Louisiana would not take the position that under the authority given to the Secretary of Agriculture, the loans to be authorized could not be administered by the FHA or other agencies in existence.

Mr. ELLENDER. They are to be administered by those making the loans.

Mr. LAUSCHE. That is, by the Secretary of Agriculture?

Mr. ELLENDER. Yes, through the FHA.

Mr. CURTIS. Mr. President, I call up my amendment designated "5–24–62—B" and ask to have it stated.

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from Minnesota withdraw his amendment?

Mr. HUMPHREY. Yes, Mr. President, I withdraw my amendment.

Mr. CURTIS. Mr. President, I ask unanimous consent that the amendment may be printed in the RECORD without being read.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and it is so ordered.

The amendment, ordered to be printed in the RECORD, is as follows:

On page 75, after line 15, insert the following:

"(g) Enter into contracts with persons, corporations, and associations under which the agency shall agree (1) to sell grains owned by the Commodity Credit Corporation for use in the manufacturing or processing of commercial products, other than products intended for human or animal consumption, at such prices the agency deems appropriate, without regard to the restrictions contained in section 407 of the Agricultural Act of 1949, as amended, and (2) to deliver such grains over such periods, not to exceed five years, as may be necessary to assure the purchasers of a continuing supply of such commodities;".

Reletter the subsequent paragraphs of the section.

Mr. CURTIS. Mr. President, the debate in the last few days has proved the futility of attempting to control agricultural production. It has also revealed how costly the program is to the Treasury and how unsatisfactory it is to the American farmers.

The one hope of avoiding the agricultural problem is to find greater uses for the production of our farms. I refer to greater uses in the United States. Because of the marvelous accomplishments of chemistry, practically all the industrial needs of the country can, if necessary, be provided from farm crops, from the things raised on farms.

The surpluses can be turned into useful purposes, and we could have an economy in which the farmers could sell all they raise. Even though it might be accompanied by a price support program, we would at least have an outlet for our surpluses.

I commend the committee for including title V in the bill. I call attention, however, to a marked deficiency in it. Under title V surplus commodities held by the Commodity Credit Corporation may be turned over to laboratories, to universities, to research organizations and the like without charge in order to find new uses for our surpluses.

The amendment I have offered would permit the Commodity Credit Corporation to sell at a price below the support price, surplus crops to a manufacturer who would use them for purposes other than for animal or human consumption. This would encourage new industries. It would dispose of some of our surpluses. It would lessen the cost of storage.

I regret that such a program has not been underway for a long time. It was recommended by the Welsh Commission almost 4 years ago. It has had rather the steady opposition of the Department of Agricutlure ever since that time.

Mr. President, I shall not insist on my amendment at this time. After a conference with the chairman of the Committee on Agriculture and Forestry, I decided not to so do. I did wish to make this short statement. I hope the course I have proposed can be pursued before long.

I ask unanimous consent that I may withdraw my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS of Delaware. Mr. President, I offer the amendment which I have at the desk, identified as "5–23–62—C," and I ask that it be stated as modified.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The LEGISLATIVE CLERK. On page 42, line 24, after the word "thereof" it is proposed to insert "for dollars".

On page 46, line 20, after the word "wheat" it is proposed to insert "for dollars".

Mr. WILLIAMS of Delaware. Mr. President, I yield myself 5 minutes.

As introduced, S. 3225 proposes to treat domestic human consumption and all exports—including the disposal of surpluses through donations and foreign currency sales—as primary uses of wheat. The purpose of this amendment is to provide that the allocation of wheat marketing certificates shall be used on domestic human consumption and commercial exports for dollars.

One of the claimed objectives of those who support S. 3225 is the reduction of Government costs.

Wheat export programs are the most costly single item in the entire farm program. Treating surplus disposals as a primary use of wheat under the proposed certificate plan would cost taxpayers hundreds of millions of dollars per year. It would mean that the Government would be forced to pay up to 90 percent of parity—currently $2.19 per bushel—for wheat moved abroad under surplus disposal programs, even though noncertificated wheat of the same quality were freely available in domestic markets at a price based on its value as livestock feed.

Such a requirement is indefensible. Under the proposed amendments wheat donated to foreign countries, sold for foreign currencies, or otherwise exported under Government-financed disposal programs would be treated as secondary-use wheat. Thus, it could be purchased in the open market from farmers who are willing to grow wheat for disposal in the export market on the same basis that noncertificate wheat is to be produced for seed and livestock feed. The result would be a substantial saving in export program costs.

In the 1960–61 marketing year wheat exports totaled 662 million bushels. Of

this total 458 million bushels were exported under various Government programs and only 204 million bushels were exported for cash. The 204 million bushels exported for cash were, of course, subsidized to bridge the gap between domestic and world prices.

Under the bill the support level for certificate wheat could be as high as $2.19 per bushel. The support price for noncertificate wheat would be related to corn; however, it has been suggested that this would result in a support price of $1.40 per bushel. On the basis of these figures and assuming annual exports of 450 million bushels, under surplus disposal programs, the above amendments could save the Federal Treasury 79 cents per bushel, or $365 million per year.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a report showing financing of wheat and flour exports, 1960–61.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Financing of wheat and flour exports, 1960–61 [1]

[In millions of bushels]

Title I, Public Law 480: Foreign currency sales	327.2
Title II, Public Law 480: Famine relief	30.5
Title III, Public Law 480: Barter	34.1
Sec. 402 (Mutual Security Act)	35.6
Sec. 416 (Agricultural Act of 1949 and title III, Public Law 480): Donations	30.4
Total programs [2]	457.7
Cash sales	204.5
Total exports	662.2

[1] Adapted from "U.S. Grain Exports Under Government Programs, 1960–61," FAS–M 127, Foreign Agricultural Service, U.S. Department of Agriculture, February 1962.

[2] Individual items do not add to total because of rounding.

EXPLANATORY NOTES

Title I, Public Law 480: Agricultural Trade Development and Assistance Act of 1954. These sales are made pursuant to formal government-to-government agreements with friendly countries. Actual sales are made from commercial stocks through private U.S. exporters. The Commodity Credit Corporation finances the dollar payment to exporters and the importing country deposits the dollar equivalent in its currency to the U.S. account.

Title II, Public Law 480: These exports consist of government-to-government donations of Commodity Credit Corporation-owned commodities for emergency and work relief uses by the recipient government. No payment is required.

Barter, title III, Public Law 480: Barter contracts with private U.S. firms are entered into by Commodity Credit Corporation which provide for exchange of Commodity Credit Corporation-owned agricultural commodities for strategic and other materials.

Section 402, Public Law 665 (Mutual Security Act): These exports are paid for with the currency of the recipient country under varying terms and conditions. However, in contrast to currencies accruing under title I of Public Law 480, these currencies are almost entirely restricted to AID (mutual security) economic development and technical assistance uses.

Section 416 of the Agricultural Act of 1949 and title III, Public Law 480: These exports are made up of donations to the needy of foreign countries through private U.S. relief and charity agencies. Commodities donated, excluding processed products, come primarily from Commodity Credit Corporation stocks.

Dollar sales: [Cash] exports consist of total exports less the total of shipments made under Government programs each year. This is the amount not financed by Government programs and therefore is the quantity exported for "cash," or "dollars." Dollar sales are made without need for assistance other than the payment-in-kind program, which is designed to bridge the gap between domestic and world prices.

Mr. WILLIAMS of Delaware. Mr. President, under the proposed bill a higher support price would be paid on all of that portion of wheat which is allocated for human consumption as well as that which is exported. Under the bill "exports" would include not only the wheat which is sold for dollars, but also that which is given away or sold for foreign currencies. The amendment would separate those exports with respect to which we are giving away or selling for foreign currencies, the payment for none of which will ever come back to this country. It would allow the incentive payments only on that portion of our exports which are sold for dollars and used for human consumption in the United States.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield to the Senator from Kansas.

Mr. CARLSON. I may not understand correctly the amendment offered, but if I correctly understand it, and if my interpretation is correct, it seems to me that if the amendment is agreed to it would completely destroy the certificate plan for wheat.

I sincerely hope that that is the case, and that the amendment will not be agreed to.

Mr. WILLIAMS of Delaware. Mr. President, the amendment would not destroy the certificate plan for wheat of the type that is used for human consumption or exported for dollars. It would change the certificate plan for wheat which is given away or sold for foreign currencies. It would put that wheat in the same category as commercial feed wheat. If the amendment were agreed to the savings would be about $375 million a year.

At a time when our budget is unbalanced, at a time when we shall have to increase taxes or increase the ceiling on the national debt, it is time that someone began to think about how much the program will cost. The argument that this proposed program as it is now before the Senate will save the taxpayers money is utterly ridiculous. If we continue to save the taxpayers' money as is proposed in the administration's bill we shall save ourselves into bankruptcy in 2 years. The cost of this bill will be even more fantastic than the cost of the existing law.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. DIRKSEN. The so-called gold-balance problem is far from solved in the international system of balances. The amendment at least looks in the direction of solving, in part at least, the difficulties we are encountering.

Mr. WILLIAMS of Delaware. I thank the Senator. He is unquestionably correct. The argument that the bill would save money cannot be substantiated based upon the projected cost. It is foolish to talk about how much this bill would save. It will save nothing. Furthermore, this bill would put the farmer in a straitjacket of controls. He would have to get permission from some bureaucrat in Washington before he could even plant his corn.

I think it is time that we put some commonsense into our farm program.

Mr. ELLENDER. Mr. President, I am opposed to the amendment for the simple reason that it would greatly decrease the income of the farmer. The amendment would exclude, as the Senator from Delaware has said, exports, other than commercial exports for dollars, from the wheat marketing certificate plan. In other words, last year the total amount of wheat exported was 630,825,000 bushels. The dollar sales amounted to only 218,374,000 bushels, so that what was handled through Government programs amounted to 412,451,000 bushels. It can readily be seen that the farmers' income would be decreased, and the farmer would carry the brunt of the cost of the Public Law 480 program. I am certain no one wants to do that. When the Secretary of Agriculture was before the committee, he said that with a billion-bushel quota, probably about 920 to 925 million bushels would be certificated, so that the farmer would receive a price ranging from $1.90 to $2. If the amendment should be agreed to, the portion of wheat shipped abroad under Public Law 480 would not be certificated. Therefore, the farmer would lose on the bushelage that would be shipped under Public Law 480 around 60 to 62 cents a bushel. I am certainly opposed to the amendment. I hope that the Senate will vote it down.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. I oppose the amendment. The amendment would ruin the wheat certificate plan. I have been for a two-price system, but we would have to have a complete substitute if the pending amendment were adopted. To impose a strict control in wheat production, which the bill would do, and to lower the income that farmers would receive would result in putting the farmer in an economic straitjacket. If one does not believe in price supports, that is the way to kill the program. If one believes in price supports at all, he will vote to reject the amendment.

The PRESIDING OFFICER. Do the Senators in control of the time wish to yield back the remainder of the time?

Mr. WILLIAMS of Delaware. Mr. President, I yield back the remainder of my time.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Delaware [Mr. WILLIAMS], as modified.

The amendment, as modified, was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DIRKSEN. Mr. President, I yield 3 minutes on the bill to the distinguished Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, the following statement has been received on the wire service in the lobby of the Senate:

NEW YORK.—An avalanche of selling hit stocks broadside today sending the popular averages for a nosedive in some of the heaviest trading of the year.

The selloff came in the wake of 4 successive days of decline and continues to stump most Wall Street experts. Many observers call the selling purely "emotional" and note that it comes in the face of bright business and economic news, a new space success and a Presidential peptalk for investors.

By 2 p.m. the Dow-Jones industrial averages slumped 11.22 reflecting drops of 2 or more in Eastman Kodak, General Foods, United States Steel, International Nickel, American Telephone, and Du Pont, and at least 1 in Anaconda, American Tobacco, General Electric, Procter & Gamble, and Woolworth.

Trading through the fourth hour piled up a total of 3,800,000 shares as heavy selling repeatedly sent high-speed tickers behind floor transactions. This compared with 3,620,000 on Thursday.

Mr. President, I wish to go on record as saying that I believe the fundamental weakness shown in the stock market today is due to two factors: First, deficit spending by the Government, and second, the threat of and the policy of supply management coming from the bureaus in Washington.

One of the reasons why I shall vote against the bill is that I believe the theory of supply management, which cannot be accomplished at a bureaucratic desk in Washington if we would preserve the free enterprise system, would be carried into the field of agriculture. I believe the statement I read is further evidence of the fear that is developing in the country.

What causes the country to fear today is apprehension with respect to the seeking of inordinate power by the Executive in the White House, either in himself or through his appointees, to regulate the economy—prices, wages, or materials.

From the committee investigating stockpiling we have recently had circulated to the members of the committee—and I understand it has been given out to the press—a bill which would propose to give to the President the power to dispose of so-called surplus stocks of raw materials at prices that he might determine.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CASE of South Dakota. Mr. President, I ask for 1 additional minute.

Mr. DIRKSEN. Mr. President, I yield for an additional minute to the Senator from South Dakota.

Mr. CASE of South Dakota. During the hearings on copper the other day I asked the representative of Calumet and Hecla what would happen if the so-called surplus of copper, 142,000 tons, were put on the market by the President at prices that he might determine. The answer was that the result could be a disaster in the copper industry.

I wish to go on record as saying that the philosophy of supply management, applied to agriculture, applied to raw materials, and applied to the surplus in the stockpile, is threatening the country today; and, more than any other thing, coupled with the executive action that has been taken, it is responsible for the fear that is sending the stock market down day after day under present circumstances.

Mr. DIRKSEN. Mr. President, I yield 3 minutes on the bill to the Senator from Connecticut [Mr. BUSH].

Mr. BUSH. Mr. President, I rise to support the statement made by the distinguished Senator from South Dakota. Of course this is no place to analyze the stock market. On the other hand, there has been great apprehension, as we have watched the stock market continue to decline. Over the years it has been somewhat of an indicator of the state of confidence in the business world.

I agree with the Senator from South Dakota that the recent action of the stock market and the recent attitude in the whole financial and business world reflect a lack of confidence. More than that, they reflect a very serious degree of apprehension. It is apprehension, as the Senator has said, not only in respect of the administration's attitude toward business—despite all the assertions that they have made that they are friendly toward business, because their actions do not support their assertions—but also a growing apprehension about the way our Government is being conducted, about the fiscal affairs of our Government, and about the willingness of the administration to accept deficit after deficit, although in the campaign of 1960 we were promised a balanced budget.

Businessmen are apprehensive about it because they know it is affecting the credit of the Government of the United States, upon which depends the security of the whole free world.

I congratulate the Senator from South Dakota for bringing this matter to the attention of the Senate. I earnestly hope, not for political reasons or any reasons except the good of our country, that this attitude of the administration may change, and change very soon, and that they will stop making requests for more and more power in the executive branch of the Government, which can be used—and I think is intended to be used—to increase deficits through unnecessary Government spending.

If we cannot balance our budget in a period of the highest gross national product and when we are enjoying the highest gross national income, when will we ever do it? The situation is serious. I am glad the Senator from South Dakota has brought it to the attention of the Senate.

Mr. DIRKSEN. Mr. President, I yield 3 minutes to the Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS of Delaware. Mr. President, I join the Senator from Connecticut and the Senator from South Dakota in calling attention to the dangers which confront our country, resulting from the concentration of power at the national level. This administration is continuously demanding more and more power over American industry and American agriculture. We have a typical example in the pending bill, under the provisions of which even a man who owned his own farm could not grow products on his farm with which to feed his own livestock, but instead, he will be forced to go out and buy them. Another example was the attempt of the President to manage prices and wages in the steel industry and in other industries.

The greatest contribution this administration could make toward the recovery of business would be to promote some degree of fiscal sanity at the national level. It is difficult for the administration to tell business how to run its affairs when it is making such a miserable job of managing its own affairs at the national level.

Had the leaders of this administration actually been trying to promote a serious depression they could not have done a better job than that which is being accomplished as the result of their insistence upon an overconcentration of power at the national level and a continuation of irresponsible deficit spending.

I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. PELL in the chair). The Senator will state it.

Mr. MANSFIELD. Is an amendment before the Senate at the present time?

The PRESIDING OFFICER. No.

Mr. HART. Mr. President, I call up my amendment identified as "5–15–62—B."

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 69, between lines 11 and 12, insert the following:

SEC. 404. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows: Section 8c(6) is amended by striking the period at the end of (I) thereof and inserting in lieu thereof the following: ": *Provided*, That with respect to orders applicable to cherries such projects may provide for any form of marketing promotion including paid advertising."

On page 69, line 12, strike out "SEC. 404" and insert "SEC. 405".

Mr. HART. Mr. President, very briefly, the amendment would extend to the Federal marketing orders on cherries authorization, when the members of the affected commodity group so declare, to expend the sum of money accumulated under the order for advertising.

A year ago Congress added cherries as an item on which marketing agreements could be established. The agreement, as we recall, requires two-thirds of those producing cherries to agree and, as I recall, 50 percent of the volume of the processors also. The orders do not authorize the extension of authority to expend funds for advertising purposes. The cherry producers of this country feel strongly that we ought to determine

whether this extension of use might effectively promote worldwide distribution of American cherries.

I hope the Senate will vote to add this amendment to the bill.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. HOLLAND. Last year this question arose, and I recommended to the committee the granting of this extension, and it was voted in the Senate. However, it was lost in conference.

Mr. HART. The Senator from Florida is correct.

Mr. HOLLAND. There is real opposition to including this provision in marketing-agreement legislation generally for all products. However, here is a relatively small product, for which it is desired to have the same advantage that citrus growers have in Florida, California, and Texas by State law, and that peaches for canning have in California under either State law or State marketing agreements, for which commodities it has been possible to raise substantial advertising funds, greatly bettering their situation.

I cannot speak for the distinguished Senator from South Carolina, who is the chairman of the subcommittee that would handle this subject. I am a member of that subcommittee. I hope that our distinguished chairman will take this amendment to conference, again, because two-thirds of the growers would have to agree and a majority of the processors would have to agree to allow the setting up of the requisite machinery. These people feel they are being hurt by their inability to advertise and to promote their product. They want an opportunity to try it, provided they can get the required unanimity within the industry.

It is not as simple a matter as it would be if it applied to one State. Several States are involved, and therefore they would have to rely upon permissive legislation on the Federal level. For these reasons, I hope the chairman will take the amendment to conference.

Mr. ELLENDER. Mr. President, this question was under consideration last year. The Senate acted on it. It was eliminated in conference. I am willing to take the amendment to conference again, to see what can be done about it.

Mr. HART. I thank the distinguished chairman and the Senator from Florida.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

The amendment was agreed to.

Mr. MONRONEY. Mr. President, I desire to call up my amendment, which is at the clerk's desk.

In view of the fact that my amendment makes a slight modification and I think improvement in the amendment offered by the Senator from Mississippi [Mr. EASTLAND], identified as "5-22-62—C," which was voted upon yesterday, I believe we can save the time of the Senate if the amendment is not read at this time, but printed in the RECORD. I can explain it very briefly.

My amendment, technically, is no longer an amendment to the Ellender amendment, but is an amendment to the bill. Secondly, my amendment is a temporary exemption of farmer-raised grain which is fed on the farm, being limited to a 2-year period. Otherwise, the amendment is the same in language and the same in purpose as the Eastland amendment, which was defeated yesterday by a relatively close vote.

I therefore ask unanimous consent that reading of the amendment be dispensed with.

Mr. MANSFIELD. Mr. President, I object. I should like to hear the amendment read, so that we may understand it more fully.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 12, line 11, it is proposed to strike out "small farm exemption" and insert in lieu thereof "exemptions".

On page 12, line 12, insert "(1)" immediately after "Sec. 360f.".

On page 13, between lines 3 and 4, insert the following:

(2) For a period of two years after the effective date of this act, notwithstanding any other provision of this part, the Secretary shall, upon application made pursuant to regulations prescribed by him, exempt producers from the requirement of paying any penalty under section 360h with respect to any farm for any crop of feed grains on the following conditions:

(A) that none of such crop of feed grains is removed from such farm;

(B) that such entire crop of feed grains is used for seed on such farm or fed on such farm to livestock (including poultry) owned by any such producer, or by a subsequent owner or operator of such farm; and

(C) that such producers and their successors comply with all regulations prescribed by the Secretary for the purpose of determining compliance with the foregoing condition.

Failure to comply with any of the foregoing conditions shall cause the exemption to become immediately null and void unless such failure is due to circumstances beyond the control of such producers as determined by the Secretary. In the event an exemption becomes null and void the provisions of this part shall become applicable to the same extent as if such exemption had not been granted. No acreage planted to feed grains in excess of the farm acreage allotment for the crop covered by an exemption hereunder shall be considered in determining any subsequent feed grain acreage allotment or marketing quota for such farm. No price support shall be made available on any feed grains produced on any such farm in any crop year for which an exemption is requested under the authority of this paragraph.

On page 19, line 15, strike out the period after the word "section", insert in lieu thereof a comma and the following: "or (iii) the producers on such farm are exempted pursuant to paragraph (2) of section 360f."

Mr. MANSFIELD. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I am happy to yield to the distinguished majority leader.

Mr. MANSFIELD. Is this the same amendment, in large part, as the amendment which was offered yesterday by the Senator from Mississippi [Mr. EASTLAND] to the Ellender amendment?

Mr. MONRONEY. It is, with one major substantive distinction. The exemption proposed in the Eastland amendment would have been permanent legislation, applying for the full duration of the proposed agricultural act which the Senate is now considering. My amendment would limit the exemption to 2 years.

Furthermore, as the majority leader will have noticed, my amendment is not an amendment to the Ellender amendment; it is an amendment to the bill now before the Senate, the Ellender amendment having already been adopted. Therefore, my amendment appears in a different relationship, from a parliamentary standpoint, and also differs in its provisions. I believe it fully complies with the requirement for a major change in an amendment and is therefore eligible for submission and consideration.

Mr. MANSFIELD. Mr. President, there is no question about what the distinguished Senator from Oklahoma has said. The only real change in the amendment is that instead of the permanency which the Eastland amendment required, the Monroney amendment, which is now being considered, provides a 2-year limitation.

Is it not true that yesterday, when the proposal was defeated, a motion was made to reconsider, which was followed by a motion to table the motion to reconsider, and that the motion to table was agreed to?

Mr. MONRONEY. The Senator is absolutely correct.

Mr. MANSFIELD. Mr. President, will the Senator from Oklahoma yield to me, so that I may ask a question of the distinguished chairman of the committee?

Mr. MONRONEY. I yield.

Mr. MANSFIELD. Can the Senator from Louisiana tell us what effect the adoption of the Eastland-Monroney amendment would have upon the farm bill now being considered by the Senate, the debate on which is possibly nearing conclusion?

Mr. ELLENDER. The effect would be the same as I stated when I discussed the Eastland amendment, which was before the Senate yesterday; that is, that it would destroy the bill, in my judgment.

What we are seeking to do is to reduce, as soon as possible, the surpluses of corn and other feed grains. We had hoped that that might be done within the next 2 or 3 years. If farmers are permitted to continue to plant all they desire to plant, so long as the crop is fed on the farm, it can readily be seen that there may be an increase in the surpluses.

Mr. MANSFIELD. Does the bill provide exemptions?

Mr. ELLENDER. Yes, exemptions are provided in the bill. The bill provides for a small-farm exemption. I believe, as I stated during the debate on the Eastland amendment, that there is a small-farm exemption of 25 acres, or the acreage planted during the base period, whichever is less, and on those exempt acres the farmer could plant any kind of grain he desired to plant, whether it be corn, barley, or anything

else. There is also a total exemption for oats and rye, as well.

There is a further provision in the bill which grants the Secretary of Agriculture the authority to deal with conditions in areas where there are shortages of feed and that also helps to make certain that the farmer who grows his own feed is well protected. In my judgment, these exemptions, the silage exemption, and the other provisions of the bill provide adequate protection.

I hope the amendment of the Senator from Oklahoma will be defeated.

Mr. MANSFIELD. Mr. President, I hope the Senate will uphold the hand of the chairman of the committee and will uphold its decision of yesterday.

I move that the Monroney amendment be tabled. On my motion, I ask for the yeas and nays.

Mr. MONRONEY. Mr. President, will the Senator from Montana withhold his motion so as to give me an opportunity to explain the amendment?

Mr. MANSFIELD. Certainly. Mr. President, I withhold my motion.

Mr. MONRONEY. I yielded to the Senator from Montana in order to enable him to obtain the benefit of the comments of the distinguished chairman of the committee. I, too, would like to have the yeas and nays on the motion to table.

I have no objection to the parliamentary procedure of moving to table the amendment. The majority leader is privileged to make that motion, but I believe the amendment I have offered is an important one, and that all of us should stop, look, and listen before we adopt a completely new concept in the price support and agricultural program.

I voted for the Ellender amendment. I intend to vote for the passage of the bill. My amendment is not offered in any way to destroy the purpose of the bill, which as I understand it, and as the distinguished chairman of the committee has repeatedly said, is to reduce surpluses which have been created in feed grains. If I thought my amendment would increase the surpluses, I would not sponsor it. Actually, my amendment is intended to protect those portions of the agricultural economy which have helped to reduce and eliminate surpluses, by increasing the use of such grains on the farms for the feeding of livestock.

A large part of the crops about which we are speaking—feed grains—are raised on the farm to feed the livestock owned by the farmer. Such grain cannot in anyway come under the price support program, as would the grain not used on the farm where grown. I see no reason for saying that the amendment would destroy the purpose of the bill.

The grain that is going into storage is not fed on the farms where it is raised. The grain that is going into storage is raised for commercial sale.

Unless the pending bill has the purpose—and I do not charge that it does—to put a ceiling on the number of cattle, hogs, chickens, and sheep, by reducing the amount of grain a farmer can raise on his own farm, to feed to his own animals, I do not see how the amendment can damage the bill.

On the other hand, if the purpose of the bill is to place a ceiling on the number of livestock to be raised in America, I hope my amendment will be adopted and thus thwart any such attempt.

Forty-nine percent of the agricultural income of Oklahoma comes from livestock and livestock products, including dairy products and poultry; 49 cents of every agricultural dollar earned in Oklahoma are earned from livestock.

I wish to point out to Senators who yesterday voted against the Eastland amendment that they might do well to consider the extent to which the economy of their States is dependent upon livestock and livestock products and poultry.

The grain that farmers raise to feed to their own livestock is not stored in the elevators. The grain raised by farmers, to be fed to their own livestock, goes into the market in the form of cattle or hogs or poultry—products that the public is ready, willing, and eager to purchase.

I have never heard a Senator ask to have limitations or controls placed on the livestock herds; and I intend to make every possible effort to prevent the imposition of such controls or limitations indirectly through the feed grain program.

When I read the provisions of this bill, I think we are skating on rather thin ice. We may be establishing a program of Federal "birth control" on livestock.

Mr. HRUSKA. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield.

Mr. HRUSKA. I should like to say that, according to the latest reports, 45 percent of the agricultural income of Nebraska comes from livestock and livestock products; and we, too, are concerned with the things the Senator from Oklahoma has been mentioning.

I wish to say that I am in full agreement with the rationale of the remarks of the Senator from Oklahoma, and it is my intention to support his amendment.

Mr. MONRONEY. I thank the Senator from Nebraska.

Mr. ALLOTT. Mr. President, will the Senator from Oklahoma yield to me?

Mr. MONRONEY. I yield.

Mr. ALLOTT. I wish to state that I shall support the amendment of the distinguished Senator from Oklahoma; and I wish to point out that in Colorado the situation is even more extreme than that which he has mentioned in Oklahoma, for in 1960, in Colorado, the agricultural income from livestock was $392-198,000, as compared with an income of $246,500,000 from crops; and I point out, and emphasize particularly, that in 1961, in Colorado, the agricultural income from livestock was $402,899,000—almost $403 million—as compared with income of $233,500,000 from crops. So in Colorado the situation is much more exaggerated even than that in Oklahoma.

In legislating at this time on agricultural matters, I do not understand how, under the guise of trying to pass a proper bill, any Senator who believes in the free enterprise system of our country can take the position that the Government should deprive a farmer of the right to grow on his own land the grain he needs for feed for his own livestock.

Mr. MONRONEY. Mr. President, I thank the Senator from Colorado for the contributions he has made.

Mr. CASE of South Dakota. Mr. President, will the Senator from Oklahoma yield to me?

Mr. MONRONEY. I yield.

Mr. CASE of South Dakota. I wish to concur in the remarks which have been made by the Senator from Colorado [Mr. ALLOTT].

Today, in South Dakota the income from the production of livestock and livestock products constitutes between 74 and 82 percent of the entire agricultural income of the State.

To the extent that a farmer feeds to his own livestock the feed grains he raises on his own land, it seems to me we should respect his right to do that; for it does not contribute to the surpluses which are placed in storage.

Mr. ALLOTT. Mr. President, will the Senator from Oklahoma yield again to me?

Mr. MONRONEY. I yield.

Mr. ALLOTT. Would not the Senator from Oklahoma agree that the provisions of the pending bill, as it now stands—in the absence of his amendment—will permit the prices of feed grains to be controlled and will permit their production to be absolutely controlled, and, ultimately, will permit the Secretary of Agriculture to have the power to control the production and the prices of livestock?

Mr. MONRONEY. If he can control the supply of feed and the acreage which a farmer can plant in feed grains to be fed to his own livestock, then obviously the law of supply and demand will force up the price of feed and restrict the number of cattle he can raise.

The PRESIDING OFFICER. The time available to the Senator from Oklahoma has expired.

Mr. DIRKSEN. Mr. President, I yield to the Senator from Oklahoma 3 minutes from the time available on the bill.

Mr. MONRONEY. Mr. President, will the majority leader also yield 3 minutes to me, inasmuch as I yielded time to Senators on his side?

Mr. MANSFIELD. I am glad to do so, Mr. President.

Mr. MONRONEY. I thank the Senator from Montana.

Mr. President, the pending bill deviates completely from the theory of price supports. Beginning with the first farm bills, a quid pro quo has been written into all of them—namely, that in order to obtain a price support the farmers must be willing to produce under acreage controls. However, this bill provides that such an arrangement no longer shall exist in the case of the feed grains, even though they are not causing us any storage problems.

This part of the bill subjects a farmer who feeds to his own livestock the grain he raises on his own farm—grain which never goes into storage—to limitations which can be voted in by hundreds of thousands of farmers who are not at all concerned with the problems of those

who feed to their own livestock the grain they raise on their own farms. But those farmers receive no price support for that grain, and their livestock receives no price support. Nevertheless, if the controls were voted in by two-thirds of all the farmers the bill would compel livestock feeding farmers to reduce their crops of feed grains, regardless of the size of their livestock herds; and then they would have to purchase on the market the feed grains they would need for their herds.

Furthermore, we going to "drop the curtain" on millions of livestock without any advance warning to the cattlemen who have planned to raise the grain they need in order to carry their stock. Certainly they are entitled to have a period of 2 years—if we are going to push this provision upon them—in which to make some adjustment. I do not believe that Congress should pass a bill which would deny some equity to those farmers, and ranchers, in order to permit them to reduce their herds or arrange to purchase the grain they need.

A 25-acre exemption is fine for a small farm on which only a few chickens are raised. But we must consider the situation of farmers in areas where the grass is scanty. Those farmers have to supplement the grass supply with grain sorghums and other feeds, and they must have some grain in storage, in order to be able to get through the dry cycles which occur so often.

But, Mr. President, in the absence of this amendment, those cattlemen will not have a 2-year period of grace in which to adjust their livestock herds and to liquidate whatever they find they must dispose of. They will not have time to do that in an orderly way without causing the market price to drop sharply, as it would if they were forced to sell in a short time the livestock they could no longer support on their own farms.

The PRESIDING OFFICER. The time yielded to the Senator from Oklahoma has expired.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from South Dakota [Mr. MUNDT].

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 2 minutes.

Mr. MUNDT. Mr. President, first, I wish to congratulate the Senator from Oklahoma on his amendment, which I shall support. I also congratulate him for hammering home the point which I tried to make during the debate on the Eastland amendment.

As the bill now stands, it is a livestock control bill; let no one fail to realize that fact. I defy anyone to reach any other conclusion after reading the very intelligent and very persuasive address which was delivered on yesterday by the Senator from Florida [Mr. HOLLAND], at the time when the Eastland amendment was under consideration. He pointed out specifically and directly the impact that controls of this kind will have on the livestock industry.

I am very happy that after the defeat of the Eastland amendment yesterday, the Senator from Oklahoma has seen the light, and now favors making such a provision effective for the next 2 years. If the feed-grain provisions are made inoperative as to those areas for this particular period, certainly they will later on be made inoperative indefinitely, because within 2 years everyone will be alerted to the danger of having this kind of control exerted from Washington, with the result that the departments and bureaus can tell the producers of all kinds of livestock and of feed grains how much they can produce and how much they can raise.

So today we have a second chance to do what is right, after we did badly yesterday in rejecting the Eastland amendment.

Senators from the Southeast and Senators from the Northeast yesterday did a great disservice—although they did it unwittingly, I realize—to the poultry industry and to the livestock industry of their own States; and now they have a chance to correct that mistake.

The Eastland amendment would have provided permanently what the Monroney amendment will provide on the installment plan.

I urge Senators now, in the second, and perhaps the last, chance to support the Monroney amendment so we can at least keep the livestock industry of America outside the control powers now growing so nauseatingly in Washington.

Mr. MANSFIELD. Mr. President, again I urge the Senate to consider the action it took yesterday, to consider the statements made by the distinguished chairman of the Committee on Agriculture and Forestry, who has worked so hard and diligently on the bill, and to consider the fact that this proposal was not reported from the Agriculture Committee.

I hope the amendment of the Senator from Oklahoma will be defeated. Therefore, I renew my motion that it be tabled. On this question I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion of the Senator from Montana [Mr. MANSFIELD] to lay on the table the amendment of the Senator from Oklahoma [Mr. MONRONEY]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Wyoming [Mr. HICKEY], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. MCGEE], the Senator from Mississippi [Mr. STENNIS], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in family.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Wyoming [Mr. MCGEE] would each vote "yea."

I further announce that, if present and voting, the Senator from Mississippi [Mr. STENNIS] would vote "nay."

On this vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from California [Mr. KUCHEL]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from California would vote "nay."

On this vote, the Senator from South Carolina [Mr. JOHNSTON] is paired with the Senator from Iowa [Mr. MILLER]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from Iowa would vote "nay."

On this vote, the Senator from New Jersey [Mr. WILLIAMS] is paired with the Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from New Jersey would vote "yea," and the Senator from Wisconsin would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BUTLER] and the Senator from California [Mr. KUCHEL] are necessarily absent.

The Senator from Iowa [Mr. MILLER] is absent on official business.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate.

On this vote, the Senator from California [Mr. KUCHEL] is paired with the Senator from Colorado [Mr. CARROLL]. If present and voting, the Senator from California would vote "nay," and the Senator from Colorado would vote "yea."

On this vote, the Senator from Iowa [Mr. MILLER] is paired with the Senator from South Carolina [Mr. JOHNSTON]. If present and voting, the Senator from Iowa would vote "nay," and the Senator from South Carolina would vote "yea."

On this vote, the Senator from Wisconsin [Mr. WILEY] is paired with the Senator from New Jersey [Mr. WILLIAMS]. If present and voting, the Senator from Wisconsin would vote "nay," and the Senator from New Jersey would vote "yea."

The result was announced—yeas 43, nays 40, as follows:

[No. 65 Leg.]

YEAS—43

Bartlett	Hayden	Pastore
Bible	Hill	Pell
Burdick	Humphrey	Randolph
Byrd, W. Va.	Jackson	Robertson
Cannon	Jordan	Russell
Chavez	Kefauver	Smathers
Church	Long, Hawaii	Smith, Mass.
Clark	Mansfield	Sparkman
Dodd	McCarthy	Symington
Douglas	McNamara	Talmadge
Ellender	Metcalf	Yarborough
Engle	Morse	Young, N. Dak.
Ervin	Moss	Young, Ohio
Hart	Muskie	
Hartke	Neuberger	

NAYS—40

Aiken	Bush	Cotton
Allott	Capehart	Curtis
Anderson	Carlson	Dirksen
Beall	Case, N.J.	Dworshak
Bennett	Case, S. Dak.	Eastland
Boggs	Cooper	Fong

Goldwater	McClellan	Saltonstall
Hickenlooper	Monroney	Scott
Holland	Morton	Smith, Maine
Hruska	Mundt	Thurmond
Javits	Murphy	Tower
Keating	Pearson	Williams, Del.
Kerr	Prouty	
Lausche	Proxmire	

NOT VOTING—17

Butler	Hickey	McGee
Byrd, Va.	Johnston	Miller
Carroll	Kuchel	Stennis
Fulbright	Long, Mo.	Wiley
Gore	Long, La.	Williams, N.J.
Gruening	Magnuson	

So Mr. MANSFIELD'S motion to lay on the table Mr. MONRONEY'S amendment was agreed to.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the motion to reconsider.

The motion to table the motion to reconsider was agreed to.

Mr. DIRKSEN. Mr. President, I yield 10 minutes to the distinguished Senator from Colorado [Mr. ALLOTT].

The PRESIDING OFFICER. The Senator from Colorado [Mr. ALLOTT] is recognized for 10 minutes.

Mr. ALLOTT. Mr. President, S. 3225 will soon be before the Senate on the question of final passage. I shall vote against the bill because it is not good legislation, because it is not responsive to the needs or the desires of farmers across the country, and because it represents a giant leap into the control ridden land of the New Frontier. As the bill is now before us, it would give unprecedented authority to the Secretary of Agriculture to control, in fact to dictate, what the farmers of this country will produce and what they will not produce.

An alternative proposal, which still languishes in committee, is the cropland retirement approach, S. 2822, a sensible answer to the problem of abundant production introduced by the senior Senator from Iowa. In my judgment, it is most unfortunate for agriculture and for the farmers that this bill was not seriously considered. It offers a practical, voluntary land retirement program which attempts to adjust farm production to effective market demand.

Just as significant, Mr. President, is the fact that the bill before us now contains two provisions which the Senate Agriculture Committee, in its wisdom, eliminated. The feed grain and wheat sections as originally proposed by the administration, while stricken in committee, are now back in the bill as a result of amendments offered and agreed to in the Senate.

The feed grain provision, in its present form, offers the farmers who produce these crops a drastic choice, and one which is not occasioned by the present conditions. The choice which will have to be made when the referendum is before them amounts to a strict control of production or, in effect, a complete end to the program. Either alternative places farmers in a quandary which is inescapable. Since the facts show that the great bulk of feed grains are used on the farm for feeding livestock, the farmers' inclination is to accept the alternative which will allow him the opportunity to continue doing just that. By the same token, acceptance of this alternative leaves him without a price support, which amounts to the possibility of a total abandonment on the part of the Federal Government all at once. On the other hand, the administration program would establish the following:

First. Set a yearly national quota for feed grains—corn, grain sorghums, oats, and barley and rye at the discretion of the Secretary—which would be converted into a national acreage allotment.

Second. Distribute the national allotment—less small reserves—to States, counties, and farms in the commercial feed grain area, using the years 1959–60 as a basis—after the 1965 crop, the base period would be the most recent 2 years.

Third. Establish a 25-acre exemption for small farms planting feed grains in 1959 and 1960. Farms with 25 acres or less could participate in program or could stay out. If out of program, no payments or price support or voting in referendum; if in program, producer eligible for price support, payments, and voting in referendum.

Fourth. Hold a referendum for a 1-, 2-, or 3-year period which requires approval of two-thirds of those voting. Choice in referendum would be protection against annual domestic sales of 10 million tons of Government-held surplus feed grains.

Fifth. Require manadatory land retirement of portion of feed grain base as determined by Secretary. Diverted feed grain acreage could be grazed.

Sixth. Make land-retirement payments in cash or in kind for 1963, 1964, and 1965 at "fair and reasonable" rates for feed grain base retired up to 20 percent or 20 acres.

Seventh. Make flexible price supports available only to cooperators at levels from 64 percent to 90 percent of parity.

Eighth. Allow interchange of wheat and feed grains on feed grain allotments.

Ninth. Assess penalties against noncooperators by (a) denying land retirement payments, (b) denying price support and, (c) collecting civil penalty based on excess production times 65 percent of parity price—unless stored.

Tenth. Require "cross-compliance" with other allotment programs as a condition of eligibility for feed grain program benefits.

Feed grain producers, in other words, really would have no clear choice of reasonable alternatives—and I deplore this situation and voted against it. While I was not satisfied with the reported version of S. 3225, it, at the very least, offered an extension of the emergency feed grain program as an alternative to the administration proposal.

We considered the Ellender amendment to restore to S. 3225 what the Agricultural and Forestry Committee, in the face of long hearings and careful study, determined was not the appropriate solution to the problem. And in lieu thereof, we are making the farmers choose between a very restricted program or nothing at all. Certainly the Ellender amendment represents an improved approach by turning to control of production of wheat based upon bushels—and this approach I do favor—and it allows wheat produced on excess acres to be stored—however, the drastic reduction from previous years makes it unworkable in terms of reality. A marketing quotas based upon 1 billion bushels represents a 25- to 30-percent cut, from the 55 million acre base which has previously served. And I point out the fact that this will cause severe hardship to many of the farmers in the Hi-Plains area of Colorado who have no choice of crops to produce. Factors such as the short growing season and lack of moisture make it impossible for them to turn to other crops. The livelihood of these people is in jeopardy with limitations as severe as these, and I cannot support, could not support, this wheat proposal.

A recent poll, to which 64,000 farmers across the country responded, indicated that better than 50 percent wanted the Government entirely out of agriculture and controls removed; 43 percent favored a program of land retirement, and 4 percent favored the imposition of strict controls. The farmers in my State confirm the fact that they overwhelmingly reject S. 3225 and what it represents. I agree with their view and am satisfied that the bill will not meet the needs. Accordingly, I shall vote against passage.

Mr. President, I yield back the remainder of my time.

Mr. JAVITS. Mr. President, will the Senator from Illinois yield me 1 minute, before there is a third reading of the bill?

Mr. DIRKSEN. Mr. President, under the time on the bill I yield 1 minute to the distinguished Senator from New York.

Mr. JAVITS. Mr. President, due to the fact that I had a speaking engagement away from the Chamber when the vote was taken on the motion to table the Keating amendment, I therefore was necessarily absent for the few minutes required for the vote. I now move to reconsider the vote by which the Keating amendment was tabled. I understand such a motion was not made at the time. In this manner I may vote upon the motion to reconsider and record myself accordingly. Though my vote would not have made any difference had I been in the Chamber, I feel keenly about the subject and wish to be recorded. Therefore, I move to reconsider the vote.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to table the motion to reconsider was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3225) was ordered to be engrossed for a third reading and was read the third time.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the Senator from Iowa [Mr. HICKENLOOPER].

Mr. HICKENLOOPER. Mr. President, the Senate is about to vote on what I believe is one of the most restrictive and controlling bills that has ever been attempted to be foisted upon American agriculture. We are all aware of the problems of agriculture. We are aware of the surpluses that have been produced. We are aware of the search to find some equitable and reasonable solution. But I submit that the bill would not only fail to solve a problem of agriculture, but it is deliberately designed, in my opinion, by the Cochrane-Freeman administration program, to place agriculture in one of the most severe and stringent straitjackets in which it has ever been placed. It is the opening wedge for full control.

Under the bill as amended, the Secretary of Agriculture will have the authority to set the support for corn and other feed grains, should the farmers reject the administration's feed grain program in the referendum, at any level from zero to 50 percent of parity. Since the original Kennedy-Freeman-Cochrane farm bill would have withdrawn supports completely, if the farmers rejected the program, can there be any doubt that the level of supports set for feed grains would be zero? That is the program. That was the plan originally announced. I am sure it would be carried out under the bill.

The administration proposes to go ahead with its all or nothing at all approach—the two-barrelled shotgun approach—of complete withdrawal of supports should producers reject its complete control and regimentation of feed grain production.

I think that is their intention. Whether they will do it or not, it is the threat which they hold. What kind of a choice would the farmer have? If supports were withdrawn completely, the farmer would face disaster unless he takes their practically unacceptable approach.

This same choice is offered the wheat farmer in this bill. The Secretary will again have complete discretion to set wheat supports at anywhere from 0 to 50 percent of parity. What guarantee is there that the Secretary will not set supports at 0 percent of parity when the wheat farmers reject the wheat program with all its controls and severe penalties?

And if the corn producers reject the administration's program, the administration can dump 10 million tons of corn on the market at little more than 2 percent above the current support price. Since the administration sets the support price, this sale by the administration could be as low as 2 percent of zero.

That is what they could sell the corn for if they elected not to have any support prices, and it is within their power to so fix it. Frankly, I doubt that they would take support prices off entirely, but they have said that they would use the device to compel acceptance for their otherwise unacceptable program. I do not see how anyone really interested in the wheat farmer, the corn farmer, or the feed grain farmer could agree to the so-called Ellender amendment, which restored complete power, complete whimsical direction and supervision and discretion to the Secretary of Agriculture. I do not see how they could support it. In the wheat proposal, of course, there is also a dumping provision with the same kind of operation. I am merely calling attention to what we will get into in the field of agriculture.

With regard to penalties, if two-thirds of the feed-grain farmers accept the administration's feed grain program, then they must accept the controls set by the Secretary of Agriculture, whose political agents will determine just how much each farmer can grow. If the feed-grain producer harvests any extra acreage, whether intentionally or inadvertently, whether he uses it on his own farm or sells the crop, he must pay a penalty equal to 65 percent of the parity price of twice the normal production of the extra acres, under section 360(h) Ellender feed-grain amendment, adopted yesterday.

In addition, the farmer must pay another penalty of 65 percent of the parity price for the normal yield of those extra acres.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. I yield 2 more minutes to the Senator.

Mr. HICKENLOOPER. In other words, the farmer is stuck with a penalty of three times the normal production of each extra acre planted. We can be sure that the enforcers of this act will decide that the extra acres are those that produce the most, of those planted, rather than the lesser producing acres. This triple penalty becomes a lien against the entire feed-grain crop of the farmer, and all producers on that farm are jointly liable, as is anyone to whom the farmer sells any of the feed-grain crop from his farm, whether from the extra acres or not.

In other words, the purchaser would be held responsible for inquiring whether the seller is in some violation or not; otherwise the purchaser might be held for the penalty. That is what we are determining when we vote on the bill. That is what we are proposing to impose upon a free agriculture in this country. I think it is an intolerable situation.

The farmer cannot even feed his own livestock without violating a Federal lien. The buyer of any feed grain from the farmer is required to collect this triple penalty, with 6 percent interest from date of harvest, or be stuck for the penalty himself. How in the world is any buyer to be able to tell whether a farmer has harvested extra acreage of feed corn, especially when most of the corn is sold on the farm? This bill will completely scare away any buyers from the farmer, and all sales will tend to be through the Government, through CCC loans, to the consumers. After all, the Government is going to be able to control market prices anyway, through its sales of CCC stocks that have in any way deteriorated, and through sale of stocks released through payment in kind certificates for diverted acres.

For that matter, how is any farmer really to tell when he has exceeded his acreage? Farms are not laid out like city blocks, so many rods this way and so many that; fields, especially of farmers who are attempting to follow conservation practices of contouring, strip-farming, terracing, grassed waterways, and so on, which I thought the Senate wanted to encourage, are very irregular and difficult to measure accurately. Fair men often differ in those measurements. There are Senators in this very body who have told me just this week that they have had to plow up or cut down wheat stands recently because the local ASCS committeemen decided that they had overplanted their allotted acres of wheat.

I repeat, as I have said before in the debate on this subject, that probably the only ones who will really benefit from the bill will be the lawyers and accountants who will have to be hired by the farmer, the feed grain dealers, the investigators who will have to go around to see if there are violations of the act or not, and an increased number of Federal employees. Hundreds or thousands of employees will be put on the payroll of the Department of Agriculture to go around to every farmer's yard and police the activities of the farm.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. CURTIS. With reference to the welfare of our loyal friends, I would like to inquire whether one could get into court under the various delegations of power in the bill.

Mr. HICKENLOOPER. I think it would be very doubtful. The discretion given is so broad that I think it would be very doubtful.

Mr. CURTIS. Even if he could, he could not get to court in time.

Mr. HICKENLOOPER. No, he could not get into court in time. He would starve to death before he would get into court. But he might be able to get into court in some way. I could not pass on that question at the moment.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield 1 minute to the Senator from Indiana.

Mr. CAPEHART. I shall vote against the proposed legislation because it is very bad legislation. Moreover, it is very vicious legislation.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the distinguished Senator from Vermont.

Mr. AIKEN. Mr. President, before the final vote is taken, I wish to state what the result will be if the pending bill becomes law.

First. It will reduce net farm income unless a substantial subsidy is given to farmers.

Second. It will reduce employment on farms and in factories. There is no question about that.

Third. It will increase the unit cost of production, because a large part of the cost of production on farms today is the cost of the capital investment, and that remains constant regardless of the production of the farm.

Fourth. It will increase the consumer's price sharply unless a substantial consumer subsidy is provided by the Government.

Fifth. It will necessitate the hiring of thousands of Federal officials to police the farmers, handlers, processors, and sellers of farm commodities.

Sixth. It will greatly increase the cost of Government.

Seventh. It will decrease U.S. prestige in other countries, which has been held so high by reason of our having a bountiful supply of food with which to step in whenever they were threatened with famine or inflation.

Eighth. It will chisel away the hard-won liberties which American farmers have won over the generations at such high cost.

I hope that every Senator who votes for the bill will paste this prediction of mine on the wall alongside the mirror in his bathroom, where he can look at it every day for the next 2 years.

Although there is some offsetting good in the bill to be found in titles I and IV, the evil in it so preponderantly exceeds the good that I cannot in good conscience vote for it.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I yield myself 1 minute to ask the majority leader about the calendar for Monday and the remainder of next week.

Mr. MANSFIELD. Mr. President, at the conclusion of the vote on the bill now pending before the Senate, it is the intention of the leadership to turn to the consideration of Calendar No. 1321, S. 2965, introduced by the Senator from Pennsylvania [Mr. CLARK] and other Senators to provide standby authority to accelerate public works programs of the Federal Government and State and local public bodies.

After consultation with the ranking Members on both sides of the aisle on the Public Works Committee and the leadership on both sides, it was thought it might be well to consider the possibility of a unanimous-consent request being made after the pending business was disposed of and the public works legislation was before us. The reason why it was thought advisable was that it was considered that if an anouncement were made prior to the vote on the farm bill there would be a large attendance of Senators to place on notice that such a motion would be made.

Whether or not a motion of that kind will be accepted, will, of course, depend on the membership of the Senate. However, it is anticipated, with the approval of the Senate, that the leadership will ask unanimous consent to have the Senate meet at 10 o'clock on Monday morning; that there will be a time limitation having to do with the substitute to be offered by the Senator from South Dakota; that there be a time limitation on all amendments; and that there be 5 or 6 hours of debate on the bill itself.

At the appropriate time the leadership together will make that proposal to the Senate. For the time being this is notice that that will be the situation so far as further legislation is concerned.

Mr. DIRKSEN. By way of supplementing what the distinguished majority leader has said, virtually all the minority members of the Public Works Committee were at the meeting this afternoon in my office; also present were the majority leader and the chairman of the Public Works Committee.

It was thought that 2 hours would be ample time to devote to the substitute that might be proposed by the Senator from Vermont [Mr. PROUTY]; 2 hours to the substitute to be proposed by the Senator from South Dakota [Mr. CASE]; 1 hour to a kind of package substitute, which the chairman would offer; 1 hour on all other amendments; and 5 hours on the bill.

It was thought that that might be adequate time in which to ventilate all the issues involved.

So the measure comes before the Senate through the majority leader by way of general agreement on the part of virtually all the minority members on the committee.

I yield 3 minutes to the Senator from South Dakota.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. MUNDT. Mr. President, it has been a long time since I have felt compelled to vote against a farm bill in Congress. However, I shall vote against the pending bill. It has some titles which appeal to me. I favor the functions of title I, as they have been modified by our committee; title IV; and title V.

While the Senate, in its wisdom in a rollcall vote failed to advise the administration that the recreational facilities set up under title I should be made available to people regardless of race or color, I am convinced that equity will prevail and, if necessary, the courts will hold that of course the recreational areas we provide in title I shall be available all over the country for all citizens regardless of race, creed, or color, as indeed they should be. When we collect money from the taxpayers as a whole with which to set up a public project, obviously the benefits of that project must be made available to every American citizen. I favor that and this bill provides for integrated recreational areas in the South. Even some of our southern friends are voting for that.

I favor the provisions of title IV.

In the final analysis, I believe that title V will be one of the important permanent contributions to a solution of the farm problem. Were the rest of the legislation not so bad, title V alone would induce me to vote for it, since it serves to promote industrial uses for farm products.

However, when it is proposed to deny to the wheat farmers of America the right of free choice between two workable programs, in order to decide which of the two they prefer, and when there is provided instead a selection involving the Department of Agriculture holding a gun to the head of the wheat farmer and telling him to take the program advised and recommended and proposed by the administration, or get no price supports at all, I cannot vote to put the wheat farmers of South Dakota, at least, under that kind of mandatory decision.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. I yield 2 additional minutes to the Senator from South Dakota.

Mr. MUNDT. From the standpoint of the feed grain section, which, if anything, is even worse than the wheat section, we know that this is, in effect, livestock and poultry production control, which will lead to livestock price control.

Down through the years the livestock industry has stood courageously on its own feet and has refused to accept price controls on live animals.

To do to them by indirection what they have successfully resisted having done to them directly, seems to me to be highly inappropriate and is justifiable cause for voting against the legislation. The debate, discussion and vote on the Monroney amendment demonstrate the determination to establish livestock and poultry controls.

Inevitably the legislation will reduce the income of farmers and increase the costs of the family budgets in the cities. To shoulder off onto the consumer and the worker in the city the financing of the farm programs, which now in part is shared by the taxpayers generally, will mean that Senators' constituents in the big cities will have to pay an additional cost for their foodstuffs.

I regret also that nothing was done to help the dairy industry, to meet some of the problems that face it.

Therefore I shall vote against the bill. I am confident that before another year rolls around sufficient protest will develop in the country so that we will be back on the floor of the Senate trying to amend the legislation which I believe we are going to pass in error here today. If we do, it will be a triumph of partisan politics over sound economics. It will comprise another mighty step toward the superstate and a politically controlled economy.

Mr. DIRKSEN. Mr. President, I yield 1 minute to the distinguished Senator from Kentucky.

Mr. COOPER. Mr. President, I consider it an honor to serve on the Committee on Agriculture and Forestry under the chairmanship of the distinguished Senator from Louisiana [Mr. ELLENDER], whom I greatly respect. I had hoped that we could produce a bill which would provide a program that would be better than the one we have had. I voted in committee for the bill which was developed by the committee. I voted yesterday in the Senate for the wheat

amendment offered by the chairman. But I cannot vote for the bill as finally amended, because it contains the feed grains amendment.

There are not the expensive surpluses in feed grains that there are in wheat, for example, and the facts prove it. Second, the feed grain amendment could lead to controls upon livestock, and everyone should know it. Certainly, this provision will prevent the farmers in my State, as well as farmers all over the South and the rest of the country in many cases from producing the full amount of feed grains needed for use on their own farms.

I do not wish to make an extreme or exaggerated comparison. However, a year and a half ago when I was in Russia, I talked with members of our Government who had been in Communist China. One of the causes of famine in that country, other than the lack of transportation, and of the failure of farm programs there, is the freezing of the production of crops in specific areas. Farmers have been prohibited from growing for their own needs crops formerly produced by them. This is not exactly analogous to the freezing of feed grain production by this bill, because overall we have ample production. But it a true analogy insofar as this bill would prevent farmers from producing for their full needs on their farms.

Mr. President, I am sorry, but I cannot vote for the bill.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the distinguished Senator from Texas.

Mr. TOWER. Mr. President, some time ago, Mr. Cochrane, economic adviser of the Department of Agriculture, said he regarded agriculture as a utility; that he believed the production of food and fiber should be nationalized. If we pass the proposed legislation, we shall, in effect, be implementing that idea.

The bill is tantamount to blackmailing farmers into accepting something they do not want. It embodies a calculated effort to reduce them to such a status of dependency upon and subordination to the Federal Government's program for the nationalization of farms that they will have succumbed to reality.

Mr. President, the bill is a gigantic step toward planned economy in the United States. It is my feverent hope that it will be defeated.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the distinguished Senator from Nebraska [Mr. HRUSKA].

Mr. HRUSKA. Mr. President, there has been much debate and comment on the direct effects and results of the bill. My remarks in opposition to the bill will, however, be on the collateral but inescapable impact on a specific area, that is, upon the livestock and poultry industries. Those industries have serious misgivings and apprehensions about the "supply control"—the supply management—concept which is so firmly entrenched in the bill as it is now before the Senate. Those misgivings and apprehensions are fully justified. The direct effect of the feed grains provision in very short order will be supply control for the livestock and poultry industries, and particularly the beef industry. In Nebraska, my own State, about 45 percent of the State's income is derived from that industry.

There is no doubt that the eventual goal of the architects of our present national agricultural policy is directed toward supply management and supply control in all aspects of agriculture.

A year ago, we had an omnibus bill. I well recall the efforts of the livestock industry at that time to exempt their industry from that bill. Then came the realization that, as surely as day follows night, supply controls in feed grains will mean supply control of livestock and poultry. This is not speculation, this is not conjecture. It is in the blueprint, it is one of the goals of the architects of this legislation.

Mr. President, I call attention to an article published in the Journal of Farm Economics for November 1959, in which Dr. Willard Cochrane, Chief Economic Adviser to Secretary of Agriculture Freeman, and the principal architect of this legislation, said:

> It is possible that the long-run price elasticity of beef at retail is greater than one, and some remote possibility that this price elasticity at the farm price level is greater than one. For these reasons, beef producers probably would not want to initiate supply control, and they would be justified in sitting out any early moves toward supply control. It is probably the case, however, that beef producers would be forced to accept supply control if producers in the above aggregate of animal products adopted supply control.

Almost a year later, in the Farm Quarterly, the summer 1960 issue, Dr. Cochrane was interviewed by the managing editor of that journal, Charles R. Koch. Here is Dr. Cochrane's answer to a question posed by Mr. Koch:

> It would not be a matter of encouragement; some of them would be forced in. If you had a control on hogs, for example, and none on eggs, growers would transfer their corn into the production of more poultry and more eggs. It would be this old transfer of resources devil all over again. The feed resources released from hogs would be put through chickens to produce eggs; and eggs happen to be inelastic in demand and in just a little bit they'd be in real trouble. The feed grain would also be transferred to beef and beef producers would feel some pressure.

Make no mistake about it. If the bill is passed, that chain effect will occur. The result predicted by Dr. Cochrane will be visited upon the livestock and poultry industries.

The issue is deeper than is evident on the face of the bill. This is a restrictive and oppressive way to legislate. There will be bureaucratic control over the last detail of the agricultural activities of the Nation. It is for this reason that I urge the defeat of the bill if we are to avoid that fate for every phase and aspect of agriculture.

Mr. President, I yield back the remainder of my time.

Mr. DIRKSEN. Mr. President, I had contemplated a rather long, philosophical discourse before the passage of the bill. However, we have been, as it were, cutting off the dog's tail a little at a time, so much so that even the dog has almost disappeared. Only about 4 minutes of the dog are left. I shall extend that 4 minutes to my friend, the distinguished senior Senator from Idaho [Mr. DWORSHAK]. I shall forego any classical discussion of the subject and let the bill go on to its destiny without making a speech.

CONFUSED POLICIES OF THE NEW FRONTIER

Mr. DWORSHAK. Mr. President, the Good Book says not to let the right hand know what the left hand does. It seems that the President of the United States and the Vice President recently have been following this admonition.

Last Saturday, at a "birthday salute" meeting in Madison Square Garden, in New York City, the President, according to the news and the press, accused the Republicans of being "against every new program, against every appropriation, against every attempt to help the individual citizen find a better life for himself and his family." He also stated, according to the reliable news reports that his proposed legislation had been defeated in the House or Senate by one or two votes and that there is a big push this year to gain additional Democratic seats in Congress. He certainly was charging that the Republican opposition to his plans was causing the bottlenecks that have developed.

In the Washington Post of May 22, Dorothy McCardle, in referring to the Vice President's speech to 3,000 women who had attended the 1962 campaign conference in Washington, quotes the Vice President as follows:

> You wanted to see if there is really any Republican Party left. I hope you brought your Geiger counters because that is what it takes to find them.

Mr. President, how can Republicans, who cannot be found with a Geiger counter, according to the Vice President, defeat programs proposed by the President, as he indicated on Saturday? I feel sure that every program suggested which has merit has been given careful consideration, not only by the members of the Republican Party, but also by the Democratic Party, which is in control of all three branches of the Government. It seems a little farfetched to blame Republicans for everything and to credit Democrats for anything which might be meritorious. It seems to me too, in reading between the lines of the Vice President's remarks, that he probably would not be averse to a one-party government, a theory which is prevalent in some parts of the world, but not entirely popular under our conception of government.

Mr. President, no wonder the American people are so confused concerning the policies of the New Frontier when the two top leaders responsible for that policy fail to coordinate their public statements.

I implore the majority whip, the Senator from Minnesota [Mr. HUMPHREY], to use his great influence in prevailing upon Pierre Salinger, now that he has returned from his sojourn in the Soviet Union, to get back on his job of censoring speeches and to help to pilot the

ship of state through the dangerous shoals of political smog.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Not All the Story," published in the Idaho Daily Statesman, of Boise, Idaho, on March 21, 1962.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NOT ALL THE STORY

President Kennedy told an audience in New York City Saturday that the Republican Party opposes his program and attempts to stop it at every turn. He said the Republicans are "against every new program, against every appropriation, against every attempt to help the individual citizen find a better life for himself and his family."

We unhesitatingly admit that Mr. Kennedy made a correct statement. The Republicans in Congress do oppose the overwhelming majority of his program. They have opposed most of it from the start.

But Mr. Kennedy conveniently overlooks the fact that there are not enough Republicans in Congress—in either the Senate or the House of Representatives—to stop a single Kennedy project. Furthermore, there isn't a single congressional committee or subcommittee that is not under Democratic control by substantial margins.

It would be helpful if Mr. Kennedy would tell the whole story, not part of it.

It would be more in line with whatever amount of ethics politics should contain if the President were to say that his program, in addition to being opposed by Republicans, also finds healthy opposition among the members of his own party—so much so that, with the coalition of Republicans, members of his own party have him stopped dead in his tracks.

That's the situation as far as Mr. Kennedy's far-reaching program is concerned. It is halted by members of his own party. If all the Democrats supported the President, his program would have long since been completely effected.

The question before the country today is whether or not the established ways of Government are to be at least partly preserved or whether the Kennedy program is to be steamrolled under a political party banner. Fortunately for the country, there are a sufficient number of Democrats to keep Mr. Kennedy and his program in check. Where the country would land were the President able to effect every item on his program is something to consider.

Viewing the overall situation, it would appear that the President has his hands full in more ways than attempting to engineer a number of taxpayer-assessed social projects. He has an interesting battle with the economy. He has intervened in the processes of bargaining in favor of labor against management. He is moving American Marines into territory that could start war. He fights Communists thousands of miles distant and tolerates them just offshore in Cuba. And there are other matters of importance in probably one of the most demanding times on the Presidency in the Nation's history.

Yet Mr. Kennedy has the time, and takes the time, to sulk over negative reaction to certain of his pet theories and, in the process, widens the breech within his own party, not to mention any hope for his obtaining support from the opposition party.

Mr. Kennedy may feel that the Nation needs more Government. That's the only way to describe his many-pronged program. There may be a substantial number of Americans who want less Federal Government. But the American public is entitled to facts when important addresses are delivered to the people of the Nation by the President. This policy is not being followed when the Republicans are blamed for the Kennedy failure to effect his desires. The obstruction is within his own party. He has a program a large number of American Democrats just won't swallow. The extent of their contribution to the preservation of American Government and American freedoms is yet to be measured.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. DIRKSEN. Madam President, I am sorry to report to the Senate that I must have lost my Geiger counter, for I find that I have some time left under my control. Therefore, I yield 6 minutes to the Senator from New York [Mr. KEATING.]

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The Senator from New York is recognized for 6 minutes.

Mr. KEATING. Madam President, I am opposed to this farm bill. I am even more strongly opposed to the amendments proposed by the Secretary of Agriculture, which in my judgment have made the bill all the more unacceptable.

This is a tremendous and unfortunate step in giving the Government complete control over agriculture. It puts the farmer in chains.

I have always been strongly opposed to the feed grain program of the Secretary of Agriculture, which this bill would expand and strengthen to a ridiculous extreme.

When this program was first put into effect, we were given estimates that in the first year it would result in a 716-million-bushel cut in corn production. But it did not even come close to doing that, and it cost millions and millions of taxpayers' dollars, despite its failure.

We are on the wrong track. This whole approach is wrong. The worst thing about it is that if this program is adopted, there will be no turning back. No Federal program is ever temporary. This will mark the beginning of the end for any measure of freedom in American agriculture.

Who is next? Will the businessman be told what to sell and how much to buy and what prices to charge? Will the workingman be controlled as to what kind of job he can take and what he is to be paid? There is no end to it.

We have come a long way from the days when a farm youngster took a blade of new grain in his teeth and did not have a care. Now, that blade of grain will be in a quota. It will be controlled.

Every blade, every bushel, every acre will be controlled. A farmer cannot even feed it to his family or his own livestock without having to give a full account to the Government. This is nothing like the free competitive economic system which we are so proud of.

This bill is not good for the farmer or the consumer or the taxpayer. I cannot support it.

One further word about dairying: We need to do something for dairy farmers, but it must be consistent with our present arrangements. It must to the fullest extent possible limit the degree to which Uncle Sam rides the range.

We in New York have for many weeks been urging that the Secretary of Agriculture review our dairy situation and take emergency action. I sent him a wire to this effect on April 17. But the Secretary refused to consider this plea. Shortly thereafter, Governor Rockefeller sent him a similar and even stronger wire, urging that he reconsider his decision denying a hearing on emergency dairy measures.

Here is a marketing order system in which farmers are supposed to have a voice. Understandably, there was much disgruntlement on the part of New York dairy farmers.

Finally, in his reply to the Governor's wire, the Secretary reversed his position on Friday, and promised a full review of the milk situation in the Northeast. While the Secretary holds out little hope for any action growing out of this review, I am glad that he has finally agreed to look into this situation; and I certainly hope he will think hard about how he can use his discretionary authority to relieve the dairy dilemma in the Northeast.

Madam President, I ask unanimous consent to have printed at this point in the RECORD my wire of April 17 to Secretary Freeman, along with Governor Rockefeller's wire to the Secretary, and the Secretary's reply to which I have referred.

There being no objection, the telegrams and the letter were ordered to be printed in the RECORD, as follows:

APRIL 17, 1962.

Hon. ORVILLE L. FREEMAN,
Secretary of Agriculture,
Department of Agriculture,
Washington, D.C.:

Pursuant to April 5 request for emergency action by New York and other Northeastern dairy cooperatives, I urge that every possible step be taken to immediately relieve unfavorable price and market conditions for dairy products. New York cooperatives also recommend specific action to aid New York dairy farmers. I would appreciate full report on discretion available to you and on feasibility of the several proposed emergency dairy measures of northeastern and New York dairy groups.

KENNETH B. KEATING,
U.S. Senator.

WIRE FROM GOVERNOR ROCKEFELLER TO SECRETARY FREEMAN, APRIL 30, 1962

On behalf of dairy farmers in New York State I urge you to reconsider your decision denying an emergency hearing on the pricing of milk in the manufacturing class. Dairymen of the Northeast have joined with our producers in New York in the request to you for the emergency hearing. Most certainly they have a right to be heard. This fundamental American principle embodied in the expressed wishes of the operating cooperatives in the marketing areas

is ignored in the arbitrary refusal to grant the hearing. Facts presented to your Department at the hearing last year have changed drastically in the intervening months. Since the announcement of your recommended decision, milk plants have closed and our cooperatives believe more closings will occur at a stepped-up pace. The market cannot compete against an unrealistic class 3 price. In the face of oversupply conditions which the milk producers themselves describe as disorderly and chaotic and which forbode losses eventually running into millions of dollars, the Federal regulating agency holds the humane responsibility of looking into every aspect of this critical situation. I join our producers in a renewed request for an emergency hearing at the earliest possible date.

TEXT OF LETTER FROM SECRETARY FREEMAN TO GOVERNOR ROCKEFELLER

In your April 30 telegram to me and your public statement last week, you call attention to "oversupply conditions which the milk producers themselves describe as disorderly and chaotic," and you suggest that we have the responsibility of "looking into every aspect of this critical situation."

Certainly if the milk surplus problem is as serious as you state, the agencies responsible for regulation of the marketing of milk do have a responsibility for looking into every aspect of this situation as you have suggested. We will be glad to participate in such a review.

As you know, a memorandum of understanding betwen the U.S. Department of Agriculture and the States of New York and New Jersey provides for joint application by the three governments of the marketing order program in the New York-New Jersey market. Therefore, it would appear desirable for representatives of our respective agencies to meet at an early date to plan an orderly procedure for such a review.

However, your request for an emergency hearing to consider reducing the price which dairy manufacturers must pay to farmers for milk used to make butter, cheese, nonfat dry milk, and other manufactured dairy products, does not appear warranted at this time.

The price that dairy processors in the New York-New Jersey market are paying at the present time for milk used for manufactured dairy products is among the lowest of any major markets in the United States. Evidence introduced at a hearing held only a few months ago on this issue supported increasing the prices to be paid to all farmers in the Northeast for manufacturing milk to the level which has been prevailing in New England markets.

Following close consultations with New York and New Jersey authorities, a recommended decision and subsequent order amendment were issued to increase the minimum prices which dairy manufacturers must pay to farmers under the joint Federal-State order. This amendment was submitted recently to producers for their approval, and probably will go into effect soon.

Dairymen and all other interested parties were given full opportunity to be heard on this issue at lengthy hearings ending several months ago. We have received no factual evidence that contradicts the findings of these recent hearings, nor have we found any such evidence in our survey of the situation conducted since receiving your telegram.

Data collected by the Administrator of this joint Federal-State order show that not a single dairy manufacturing plant has closed since announcement of the recommended decision, and that in fact manufacturing plant capacity is greater today than at the time hearings were held. This indicates that processors will be able to handle all the milk delivered by farmers. The only "milk plants" that have closed are merely receiving stations which have no manufacturing facilities and no longer serve a useful purpose. Increasing quantities of milk are now picked up at the farm in bulk tank trucks instead of in cans, and are transported directly to manufacturing plants, bypassing the receiving stations which were formerly needed for assembling milk picked up in cans.

Moreover, a central purpose for which the hearing was called was to provide for a more exact alinement of surplus milk prices among the 10 Northeast markets. Proposals to this effect were received from interested parties in most of the markets, including the New York-New Jersey market. Virtually all of the testimony on price alinement was in favor of uniformity of surplus milk pricing among the 10 Northeast markets. The decision, therefore, must be one which prices surplus milk in all markets of the Northeast at essentially the same level. Consequently, any decision made with regard to surplus price levels must take into account the situation prevailing in all 10 markets rather than in the New York-New Jersey market alone.

In light of these circumstances, we do not consider it necessary or consistent with the standards of the law to call a special emergency hearing as you request to reduce the price to be paid to farmers for milk for manufacturing use.

However, this question can be kept under close and continuing review by our respective agencies in their study of the overall situation. I am meeting with a group of representatives of Northeastern dairymen here Wednesday, May 23, to hear their views. If the facts warrant, hearings can be scheduled on this and other aspects of the critical surplus situation to which you refer.

I am looking forward to hearing from you in respect to discussion of plans for proceeding with a review of this situation.

Mr. KEATING. Madam President, I yield back the remainder of the time which has been yielded to me.

Mr. MANSFIELD. Madam President, I yield 2 minutes to my good friend, the Senator from North Dakota [Mr. YOUNG].

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 2 minutes.

Mr. YOUNG of North Dakota. Madam President, on the question of final passage, I shall vote for this bill, even though I do not approve of all of its provisions. I am opposed to the feed grains section of the bill; I believe it is unwise. I voted against it.

But the bill should go to conference. After the conference committee concludes its work on the bill, if the feed-grains section is still in the bill unchanged, I shall again vote against that part of the bill.

I think all livestock producers and all dairymen should be alarmed at the tremendous buildup of price boosting feed grains surplus.

I believe that the farm I own probably feeds more cattle than any other farm owned by a Senator, except one. I think I know something about the cattle-feeding business; and I think Mr. C. S. Radebaugh, the president of the American National Cattlemen's Association, also knows something about the cattle business and feed-grain prices and about how they affect cattle prices.

At the Senate Agriculture Committee hearing this year, Mr. Radebaugh said:

Generally speaking, all cattle produced are fed, and the pounds of beef produced in the feedlot approach the pounds produced on the range. For these reasons, whatever happens in the case of feed grain prices has a direct effect on what happens to beef cattle prices whether in the feedlot or on the open range.

Therefore, Madam President, I believe we must do something about the tremendous buildup of feed grain stocks; otherwise, they will wreck the entire price-support program and the cattle industry and the dairy industry.

Madam President, I am opposed to the feed-grains section of the bill and to some of the other provisions of the bill. I believe the bill should be taken to conference; and I hope that in the conference a better bill can be worked out.

Defeat of this agriculture bill today could well mean the end of any opportunity to write better farm price support legislation and the beginning of the end of all price supports for farmers.

Mr. MANSFIELD. Madam President, if the distinguished chairman of the committee, the Senator from Louisiana [Mr. ELLENDER] will yield, I should like to submit to him some questions. Will he be kind enough to accede to that request?

Mr. ELLENDER. Yes. I am familiar with the questions, and I shall be glad to have the questions and my answers to them printed in the RECORD.

Mr. MANSFIELD. I thank the Senator.

What are present provisions of law regarding duties and responsibilities of county ASC committees?

Mr. ELLENDER. The committee system is established under authority of section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended. This requires a community committee of three members for each community in a county, and a county committee of three members in each county. It also requires a State committee of not less than three or more than five farmers who are appointed by the Secretary of Agriculture.

Community committees and county committees are farmers elected by their neighbors as provided by section 8(b). The Secretary is directed by this act to make such regulations as are necessary relating to the selection and exercise of functions by the respective committees, and to the administration of programs through these committees. Regulations governing ASC county and community committees have been formulated and published in the Federal Register. The purpose of these committees, as stated in the regulations, is to direct the administration of sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act of 1936, the Agriculture Adjustment Act of 1938, the Sugar Act of 1948, the Soil Bank Act, and such other acts of Congress as the Secretary of Agriculture or the Congress may designate. Among these additional programs assigned are: Section 32 programs of the act of August 24, 1935, as amended, the 1961 feed grain program, the 1962 feed grain program, the 1962 wheat stabilization program, and other miscellaneous programs.

These committees are directed to carry out at the State, county, and farm level,

the provisions of the applicable laws, regulations, and official instructions.

Mr. MANSFIELD. What are the duties and responsibilities of State ASC committees?

Mr. ELLENDER. The State committees are subject to the direction and supervision of the Deputy Administrator, State and county operations, and the area director who reports to that office. Each State committee is generally responsible for direction of the county committees and carrying out in the State the various acts and programs as assigned. This includes the responsibility for the development of interest and understanding of these programs on the part of individual farmers and nonfarm groups. The State committees are responsible for the efficient, orderly operation of ASC county and community committees and county and State office employees within the State.

Mr. MANSFIELD. What are the duties and responsibilities of a State committee when the county committee refuses to follow the law?

Mr. ELLENDER. Under the regulations, the State committee is required to suspend any county committeeman who fails to perform the duties of his office or who commits, or attempts or conspires to commit fraud in the conduct of his office, or who is incompetent, or who seriously impedes the effectiveness of any program administered in the county, or who violates the applicable political activity restrictions. If the charges are supported, the State committee is required to remove the committeeman.

Mr. MANSFIELD. If a State committee pursuant to law determines that it has no alternative, other than the removal of the county committee, what is the lawful procedure?

Mr. ELLENDER. Before removing a county committeeman, the State committee first must determine the detail involved showing that the committeeman failed to perform the duties of his office, or committed, or attempted, or conspired to commit fraud in the conduct of his office, or that he is incompetent, or that he seriously impedes the effectiveness of any program administered in the county, or that he violated applicable political activity restrictions. These charges and details must be given in writing to the county committeeman in a suspension action. The suspended committeeman is given 15 days within which to advise why he should be restored to duty. The State committee reviews the reasons given and determines whether the charges are correct. If not, the committeeman is restored to duty. If the reasons are sustained, he is removed and given a written statement of removal setting forth the authority therefor, and the statement of charges supporting the removal. He is further given notice that he has 90 days in which to appeal his removal to the State committee and that his appeal may be in writing, in person, or both. If the appeal is in person, a court reporter records the proceeding, and he is furnished a copy. The State committee then must decide whether removal is still required. If so, the removal committeeman is given notice of final decision in writing, and is informed in writing that he has 90 days from the date of mailing of the decision to appeal to the Deputy Administrator, State and County Operations, Washington, D.C. The appeal to the Deputy Administrator may also be in writing, in person, or both. If the appeal is in person, the proceedings are recorded by a court reporter and the removed committeeman furnished a copy thereof. The Deputy Administrator makes a final determination on whether the charges are supported by the facts, and either restores the committeeman to office, or confirms the removal. A final decision is given with full particulars to the committeeman in writing.

Mr. MANSFIELD. How long has this procedure been in effect?

Mr. ELLENDER. This procedure has been in effect in substantially the same form for the past 20 years.

Mr. MANSFIELD. In what recent instances has it been used?

Mr. ELLENDER. Hearings held in 1955 and 1956 by a Subcommittee on Agriculture and Forestry, U.S. Senate, 84th Congress, 1st and 2d sessions, on S. 544, page 1051, gave an up-to-date listing of 220 removals, suspensions, and requested resignations of ASC county committeemen and county office employees by, or at the request of the ASC State committees or State offices through a 3-year period. In the State of Missouri, 52 of these removals involved county committeemen who were suspended, removed or forced to resign during the 2 years 1954 and 1955. Seventeen States showed no such removals for the period reported to the committee.

In contrast with the record established by the previous administration, about six county committees have actually been suspended by State Committees under Secretary Freeman. Removals by State Committees under this administration for violation of the law or failure to carry out regulations drawn pursuant to the law have occurred in Dickens County, Tex.; Campbell County, S. Dak.; Glacier County, Mont.; one committeeman in Imperial County, Calif., has been removed, and one committeeman is under suspension in Reeves County, Tex. In South Carolina one committeeman in Kershaw County was removed. In two other States, Minnesota and Idaho, a county committeeman was suspended and later reinstated by the State committee.

Mr. MANSFIELD. In other words, has this same procedure, which has been used for many years by the Department of Agriculture under both Republican and Democratic administrations, been followed in the Glacier County case?

Mr. ELLENDER. The same procedure that has been used for many years by the Department of Agriculture under both Republican and Democratic administrations has been followed in Glacier County, Mont.

Mr. MANSFIELD. Madam President, I do not think there is a Geiger counter in the possession of any Senator on this side of this aisle. We respect and admire and love the Republicans. Of course, once in a while we like to beat them in elections.

But as to the pending legislation, I wish to testify to unbounded admiration for the distinguished chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER], who has shown such sound generalship and has furnished such good counsel and guidance in piloting through this very difficult measure. The job he has done is all the more remarkable because of the many complexities involved. The country owes him a very great debt.

I also wish to pay my respects to the ranking minority member of the committee, the senior Senator from Vermont [Mr. AIKEN], who at all times has shown himself to be fully cognizant of the subject at hand, and always has conducted himself as a gentleman who understands the problems of others.

I also wish to say a good word about the acting majority leader during the past week of the consideration of this bill—my colleague, the distinguished Senator from Minnesota [Mr. HUMPHREY]. He has shown his usual understanding, his wide knowledge, his good nature, and his tolerance. He has been a tower of strength in behalf of a sound farm program. And with the excellent sense of humor that is always his, he lightened our burdens as we confronted the complexities of the bill. Without the leadership of the Senator from Minnesota and the Senator from Louisiana, this bill, as it has been amended, would have stood no chance of passage.

And of course to my distinguished colleague, the minority leader [Mr. DIRKSEN], I wish to state that I am always grateful for his cooperation, his understanding, and the close relationship which exists between us as we endeavor collectively to carry out the business of the Senate.

I am happy that the forthcoming vote is about to bring to a conclusion our consideration of this measure. This is a great step forward in agricultural legislation. It appears to me that the votes on it may be more widely separated than usual; but I wish to compliment and commend the Senate for the cooperation and understanding shown both collectively and individually toward the leaders; and I desire to express the hope that when we have disposed of this bill, we shall be able to arrive at a reasonable and early conclusion concerning the next order of business, the public works bill.

Let me say to Senators on this side of the aisle that I hope every Senator who is present now will remain here and will be here on Monday; and I hope that Senators who are not here now will return to the city on Monday and will give their attention to the very important bill which will be coming up next week.

Mr. DIRKSEN. Madam President, will the distinguished majority leader yield to me?

Mr. MANSFIELD. Certainly; I yield to the distinguished Senator from Illinois whatever time he desires to have.

Mr. DIRKSEN. Madam President, I concur in the statements of felicitation which have been uttered by the majority

leader. Let me reiterate all over again my deep and abiding affection for him.

As we approach the conclusions of this debate, let me say that seldom have I seen a time when the Senate has stayed so diligently on the issue before it, and seldom have I observed so little acrimony and so amazing an amount of grace displayed by our distinguished colleagues on the other side of the aisle.

So, Madam President, now we are prepared to vote.

Mr. HUMPHREY subsequently said: Madam President, the junior Senator from Colorado [Mr. CARROLL] has been necessarily absent from the Senate during our consideration of the farm bill. He is detained in Colorado because of illness in his immediate family.

The Senator from Colorado [Mr. CARROLL] prepared a statement he would have delivered to the Senate if he had been able to return before the final vote on the farm bill. The Senator has asked me to have his statement printed in the body of the RECORD prior to final vote on the farm bill.

Madam President, I therefore ask unanimous consent that the statement by the Senator from Colorado may be printed in the RECORD, together with sundry newspaper items.

There being no objection, the statement and articles were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CARROLL ON THE FOOD AND AGRICULTURE ACT OF 1962

THE FARM BILL WILL CUT SURPLUSES AND IMPROVE FAMILY FARM INCOME

I regret that I was detained in Colorado by illness in my family and was forced to miss several votes on farm bill amendments.

However, through the courtesy of the Senator from Wyoming [Mr. HICKEY] who joined with me in a live pair, I, in effect, was able to cast a vote on the Ellender wheat and feed grain amendments. The Senator from Wyoming [Mr. HICKEY] withheld a "no" vote and I was recorded as voting "yes."

I supported both amendments as being in the best interest of the Nation, while at the same time being in the interest of Colorado farmers.

WILL CUT COSTS IN HALF

All of us have been concerned about the cost of the farm program.

The Ellender amendments earned my support when I studied their effect on farm program costs.

Senator ELLENDER said on the floor of the Senate that last year the wheat program cost in excess of $600 million and the feed grain program in excess of $800 million. Referring to the bill with his two amendments he said: "It is my belief that those costs will be cut probably in half or more."

Senator ELLENDER added: "Of course, one of the purposes of the bill is to stabilize and to increase farm income."

FARMER'S INCOME IMPROVED

I supported the chairman, Mr. ELLENDER, when I was convinced that the farmer's income would not be impaired, but rather would be improved, and that the cost of the farm program to the taxpayer could be reduced.

The cost of the Government wheat program has been enormous and is a source of embarrassment to the wheat farmers and a source of irritation to the urban taxpayer.

For example: Last fiscal year the carrying charges on wheat, that is storage, handling, and interest on investment, came to $399.4 million.

This year, in addition to the carrying charges I have just listed, the emergency wheat program will amount to $345 million.

Added on to all this is the export subsidy of 60 cents per bushel.

If you went back to October 17, 1933, the beginning of the wheat support program, you would find that the cost of the program to the CCC, including price supports and various export subsidies, is $3.6 billion.

The proposed farm bill, with the Ellender amendments, is designed to slash this year-in, year-out burdensome cost, while at the same time strengthening the income position of the family farmer.

BUSHEL CONTROL

I have long endorsed, supported, and promoted a bushel—or unit—control plan as the only sensible and practical way to control overproduction.

The farm bill I am supporting today, as amended by the Ellender amendments, relies heavily on a unit control, or bushel control plan for wheat.

Bushel control is not a new idea.

Farmers have been talking about it for 20 years.

We now are on the threshold of seeing bushel controls for the first time become a reality.

The so-called wheat certificate plan, which is the bushel control plan, will do several things.

It will control surpluses through marketing allotments and acreage reduction. It will stabilize the farmers' income, and it should help reduce our export subsidy costs.

The price support for wheat, in the first year, will be $2 a bushel.

I think with a $2 price our wheat farmers will have a stable income.

STORAGE OF EXCESS GRAIN

I am pleased that the bill permits our wheat farmers to store on the farm, at no cost to the Government, grain from excess acres.

This is vital crop insurance in the Great Plains.

In many of our Colorado counties the risk of drought is so great our farmers are not eligible for crop insurance.

One way they can insure against a bad year is to store excess grain from a good year.

The bill before the Senate permits them to do this.

This feature is especially important this year because of an impending drought and the possibility of heavy wheat crop losses in eastern Colorado.

Although we have had good rains in the past week, some of the wheat crop was irretrievably lost before the saving rains came.

I submit for printing in the RECORD two stories from the Denver Post dated May 11 and May 17, 1962, which describe the extent of the current Great Plains drought and its effect on our wheat crop:

"[From the Denver Post, May 11, 1962]

"FARMERS WORRIED—BAKED REGION DUE MORE OF THE SAME

"More hot, dry weather was forecast Friday for Colorado, Wyoming, and New Mexico to the dismay of eastern Colorado's dryland wheat farmers faced with the threat of another drought.

"The weatherman said a few light showers are expected in the mountains of Wyoming and northwestern Colorado in the next day or two but no real relief from the record temperatures and dry winds is likely before the first of the week.

"Showers and some cooling are expected then, he said, but the warm, dry weather will return by midweek.

"Thursday's high temperatures for the three States were 97 at Lamar, Colo.; 89 at Moorcroft, Wyo., and 100 at Hobbs and Carlsbad, N. Mex.

"Denver's high was 86, equaling the record for the date established last year.

"By noon Friday the mercury had climbed to 87 for Denver's warmest reading since last August and the seventh consecutive day of readings of 80 or above.

"MOISTURE DOWN

"At the same time the Denver area has received only a trace of moisture so far this month, seven-tenths of an inch less than normal for the period. The picture is similar in the rest of eastern Colorado.

"The heat and lack of rain is causing serious concern among agriculture officials and dryland farmers.

"Paul W. Swisher, Colorado commissioner of agriculture, described the situation as serious along the entire eastern tier of counties.

"To complicate the problem, he said, the hot, dry weather is favorable for a big hatch of grasshoppers, particularly in the southeast.

"Swisher said he was unable to say how much of the eastern Colorado wheat crop has been lost because of the lack of rain but I wouldn't say that it constitutes a major disaster at this time.'

"The Colorado Crop and Livestock Reporting Service predicted Friday the Colorado winter wheat crop will total only 50,424,000 bushels, a decline of 3.4 million bushels from the April 1 crop prediction.

"A 50-million-bushel crop would be 14 percent below the 1961 harvest but 24 percent higher than the 1951–60 average."

"[From the Denver Post, May 17, 1962]

"GOOD NEWS TODAY—COLORADO'S PARCHED PLAINS RECEIVE WHEAT-SAVING RAIN

"(By Marilyn Robinson, Denver Post staff writer)

"Up to 3 inches of rain fell Wednesday on the parched plains of eastern Colorado, ending a month-long drought.

"State agriculture officials said the rain should help save what is left of Colorado's $100 million winter wheat crop and lessen the danger of a grasshopper plague this year.

"But the rain came too late in some areas.

"Nearly an inch of precipitation was reported at Lamar in Prowers County, one of Colorado's three top wheat-producing counties.

"'It (the precipitation) will make some wheat but most of the crop was pretty well gone,' said Quinton Vance, assistant county agent. The wheat 'just dried up,' he said.

"Vance estimated that the hot, dry May weather had claimed 60 to 80 percent of Prowers County's wheat crop, which had been expected to be the second or third largest in history.

"Wednesday's precipitation, he said, was 'the first good rain this spring.' And, he added, 'we don't usually get 100 degree temperatures in May.' He put the biggest blame on the heat.

"Baca County, another top wheat producer, has fared a little better because more of its crop is irrigated. County Agent Tom Doherty estimated 40 to 50 percent of the dryland wheat crop was lost.

"Some of the State's heaviest rainfall was reported in Yuma County, and County Agent Tom Laquey said the precipitation made 'quite an improvement.'

"Without it, he said, Yuma County would have had 'quite a loss. Now our loss won't be too great but our wheat crop will be considerably smaller than last year's.'

"MAJOR HELP

"Paul Swisher, State agriculture commissioner, said the rain 'was not a solution but certainly a help.' He said the precipitation should halt deterioration of the wheat crop and pasture grasses and help the grasshopper situation.

"He said some eastern Colorado counties have reported as much as 70 percent of their wheat crop survived the hot, dry weather.

"He said a State and Federal team will begin surveying the grasshopper infestation in eastern Colorado Monday but he expects the rain killed many of the hoppers."

These stories serve to show how fast a Great Plains wheat farmer can lose a whole year's income. Senators will note that in Prowers County alone, up to 80 percent of the wheat crop may already be lost.

This is why it is important to let our wheat farmers, at their own expense, store excess grain from a good crop year to offset losses in a drought year. It is, in a sense, crop insurance.

I am pleased to see that the excess grain storage provision has been kept in the bill.

COLORADO FARM MAIL

I am sure that all of us have had fairly heavy mail on this farm bill.

I have had many letters pro and con from Colorado farmers, expressing strong and clear feelings on both sides of the administration proposal to write into law tight bushel controls and permit the farmer in a referendum to vote either for these tight bushel controls or a program with low price supports.

I have studied this mail very carefully and I think it will be of interest to my colleagues to know that 45 percent of the farmers who wrote me opposing strict controls over surplus crops have no wheat allotments; 5 percent have allotments less than 15 acres.

Thus, half of the farmers writing me in opposition to the bushel control program would not be materially affected by the program.

The program in the Senate farm bill, as amended by Senator ELLENDER, has the full support of the National Association of Wheatgrowers, the National Grange, the National Farmers Union, and others.

The wheat farmers of Colorado are for this bill because the certificate plan will cut the cost of the farm program to the urban taxpayer; it will reduce the wheat and feed grain surplus; and it will stabilize the family farmers' income.

I am pleased to give my full support to this bill. I think we are enacting a program many years, millions of bushels and billions of dollars overdue.

Mr. MANSFIELD. Madam President, I yield back the remainder of the time under my control.

Mr. DIRKSEN. Madam President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER. All remaining time has been yielded back.

The question now is, Shall the bill pass?

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BEALL (when his name was called). On this vote I have a pair with the senior Senator from Washington [Mr. MAGNUSON]. If he were present, and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. METCALF (when his name was called). On this vote I have a pair with the junior Senator from Iowa [Mr. MILLER]. If he were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. MORSE. Madam President, how am I recorded?

The PRESIDING OFFICER. The Senator from Oregon is recorded as having voted in the affirmative.

Mr. MANSFIELD. Madam President, I ask for the regular order.

The PRESIDING OFFICER. The regular order has been called for.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Wyoming [Mr. HICKEY], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. MCGEE], the Senator from Mississippi [Mr. STENNIS], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] are necessarily absent.

On this vote, the Senator from Wyoming [Mr. HICKEY] is paired with the Senator from California [Mr. KUCHEL]. If present and voting, the Senator from Wyoming would vote "yea," and the Senator from California would vote "nay."

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Louisiana [Mr. LONG], the Senator from Wyoming [Mr. MCGEE], the Senator from New Jersey [Mr. WILLIAMS], the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Missouri [Mr. LONG] would each vote "yea."

I further announce that, if present and voting, the Senator from Mississippi [Mr. STENNIS] would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BUTLER] and the Senator from California [Mr. KUCHEL] are necessarily absent.

The Senator from Iowa [Mr. MILLER] is absent on official business, and his pair has been previously announced.

The Senator from Wisconsin [Mr. WILEY] is absent by leave of the Senate.

On this vote, the Senator from California [Mr. KUCHEL] is paired with the Senator from Wyoming [Mr. HICKEY]. If present and voting, the Senator from California would vote "nay," and the Senator from Wyoming would vote "yea."

The result was announced—yeas 42, nays 38, as follows:

[No. 66 Leg.]

YEAS—42

Bartlett	Church	Engle
Bible	Clark	Ervin
Burdick	Dodd	Hart
Byrd, W. Va.	Douglas	Hartke
Cannon	Ellender	Hayden
Hill	McNamara	Russell
Humphrey	Monroney	Smathers
Jackson	Morse	Smith, Mass.
Jordan	Moss	Sparkman
Kefauver	Muskie	Symington
Kerr	Neuberger	Talmadge
Long, Hawaii	Pastore	Yarborough
Mansfield	Pell	Young, N. Dak.
McCarthy	Randolph	Young, Ohio

NAYS—38

Aiken	Dirksen	Mundt
Allott	Dworshak	Murphy
Anderson	Eastland	Pearson
Bennett	Fong	Prouty
Boggs	Goldwater	Proxmire
Bush	Hickenlooper	Robertson
Capehart	Holland	Saltonstall
Carlson	Hruska	Scott
Case, N.J.	Javits	Smith, Maine
Case, S. Dak.	Keating	Thurmond
Cooper	Lausche	Tower
Cotton	McClellan	Williams, Del.
Curtis	Morton	

NOT VOTING—20

Beall	Gruening	McGee
Butler	Hickey	Metcalf
Byrd, Va.	Johnston	Miller
Carroll	Kuchel	Stennis
Chavez	Long, Mo.	Wiley
Fulbright	Long, La.	Williams, N.J.
Gore	Magnuson	

So the bill (S. 3225) was passed, as follows:

S. 3225

An act to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Food and Agriculture Act of 1962".

TITLE I—LAND-USE ADJUSTMENT

SEC 101. The Soil Conservation and Domestic Allotment Act (49 Stat. 163), as amended, is further amended as follows:

(1) by repealing subsections (b), (c), (d), (e), (f), and (g) of section 7;

(2) by repealing subsection (a) of section 8;

(3) by amending the first sentence of subsection (b) of section 8 of said Act, as amended, by striking out the language "Subject to the limitations provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The"; and

(4) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(e)(1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed fifteen years as he may determine, with farm and ranch owners and operators providing for practices or measures to be carried out on any lands owned or operated by them and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act) for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources, or for nonagricultural purposes. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and

other assistance, in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary.

"(2) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

"(3) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

"(4) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

"(5) Notwithstanding any other provision of law, the Secretary, to the extent he deems it desirable to carry out the purpose of this subsection, may provide in an agreement hereunder for (A) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (B) surrender of any such history and allotments.

"(6) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection. The Secretary shall not enter into agreements hereunder which would require payments, the furnishing of materials and services, and other assistance, in amounts in excess of $10,000,000 in any calendar year."

(5) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(f) The Secretary is authorized to use the services, facilities, and authorities of Commodity Credit Corporation for the purpose of making disbursements to producers under programs formulated pursuant to sections 8 and 16(e) of this Act: *Provided*, That no such disbursements shall be made by Commodity Credit Corporation unless it has received funds to cover the amount thereof from appropriations available for the purpose of carrying out such programs."

SEC. 102. (a) Section 31 of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, is amended to read as follows:

"SEC. 31. The Secretary is authorized and directed to develop a program of land conservation and land utilization, including the more economic use of lands and the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, enabling local public authorities to provide public recreation, preserving natural resources, protecting fish and wildlife, mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands.

(b) Subsection (a) of section 32 of title III of the Bankhead-Jones Farm Tenant Act, as amended, is repealed.

(c) Section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended, is amended to read as follows:

"(e) to cooperate with Federal, State, territorial, and other public agencies in developing plans for a program of land conservation and land utilization, to assist in carrying out such plans by means of loans to State and local public agencies designated by the State legislature or the Governor, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities. Loans to State and local public agencies shall be made only if such plans have been submitted to, and not disapproved within 45 days by, the State agency having supervisory responsibility over such plans, or by the Governor if there is no such State agency. No appropriation shall be made for any single loan under this subsection in excess of $250,000 unless such loan has been approved by resolutions adopted by the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives. Loans under this subsection shall be made under contracts which will provide, under such terms and conditions as the Secretary deems appropriate, for the repayment thereof in not more than 30 years, with interest at the average rate, as determined by the Secretary of the Treasury, payable by the Treasury on its marketable public obligations outstanding at the beginning of the fiscal year in which the loan is made, which are neither due nor callable for redemption for 15 years from date of issue. Repayment of principal and interest on such loans shall begin within 5 years."

SEC. 103. The Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended as follows:

(1) Paragraph (1) of section 4 of said Act is amended by changing the semicolon at the end thereof to a colon and adding the following: "*Provided*, That when a local organization agrees to operate and maintain any reservoir or other area included in a plan for public fish and wildlife or recreational development, the Secretary shall be authorized to bear not to exceed one-half of the costs of (a) the land, easements, or rights-of-way acquired or to be acquired by the local organization for such reservoir or other area, and (b) minimum basic facilities needed for public health and safety, access to, and use of such reservoir or other area for such purposes: *Provided further*, That the Secretary shall be authorized to participate in recreational development in any watershed project only to the extent that the need therefor is demonstrated in accordance with standards established by him, taking into account the anticipated man-days of use of the projected recreational development and giving consideration to the availability within the region of existing water-based outdoor recreational developments: *Provided further*, That when the Secretary and a local organization have agreed that the immediate acquisition by the local organization of land, easements, or rights-of-way is advisable for the preservation of sites for works of improvement included in a plan from encroachment by residential, commercial, industrial, or other development, the Secretary shall be authorized to advance to the local organization from funds appropriated for construction of works of improvement the amounts required for the acquisition of such land, easements or rights-of-way; and, except where such costs are to be borne by the Secretary, such advance shall be repaid by the local organization, with interest, prior to construction of the works of improvement, for credit to such construction funds."

(2) Clause (A) of paragraph 2 of section 4 of said Act is amended to read as follows: "(A) such proportionate share, as is determined by the Secretary to be equitable in consideration of national needs and assistance authorized for similar purposes under other Federal programs, of the costs of installing any works of improvement, involving Federal assistance (excluding engineering costs), which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for fish and wildlife or recreational development, and".

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

SEC. 201. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with friendly nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade: *Provided*, That agreements with the private trade shall be limited to the purchase of commodities for shipment to underdeveloped countries for consumption in the underdeveloped countries to which they are shipped."

(2) Section 402 is amended—

(a) by inserting ", including financial institutions acting in behalf of such nations," after the words "friendly nations"; and

(b) by adding at the end thereof the following: "In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title. Any agreement entered into hereunder with the private trade shall provide for the furnishing of such security as the Secretary determines necessary to provide reasonable assurance of payment of the amount due for agricultural commodities sold pursuant to such agreement"

(3) Section 403 is amended—

(a) by deleting the words "approximately equal" from the last sentence thereof and substituting therefor the word "reasonable"; and

(b) by inserting after the word "agreement" in the last sentence thereof the following: ", except that the date for beginning such annual payments may be deferred for a period not later than two years after such date of last delivery,".

(4) Section 405 is amended to read as follows:

"SEC. 405. In entering into agreements with friendly nations for the sale of surplus agricultural commodities, the President may, to the extent deemed practicable and in the best interests of the United States, permit other friendly and historic supplying nations to participate in supplying such commodities under the sales agreement on the same terms and conditions as those applicable to the United States."

(5) Section 406 is amended by inserting after the word "sections" the following: "101 (b) and (c),".

TITLE III—COMMODITY PROGRAMS

Subtitle A—Feed grains

SEC. 301. Subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is further amended by inserting after part VI a new part VII as follows:

"Part VII—Marketing Quotas—Feed Grains

"Legislative findings

"SEC. 360a. The production of feed grains is a vital part of the agricultural economy of the United States. Feed grains move almost wholly in interstate and foreign commerce in the form of grains, livestock, and livestock products.

"Abnormally excessive and abnormally deficient supplies of feed grains on the national market acutely and directly burden, obstruct, and affect interstate and foreign commerce. When the available supply of feed grains is excessive, the prices of feed grains are unreasonably low and farmers

overexpand livestock production to find outlets for feed grains. Excessive supplies of feed grains cause the marketing of excessive supplies of livestock in interstate and foreign commerce at sacrificial prices, endanger the financial stability of producers, and overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in feed grains, livestock, and livestock products is directed. Deficient supplies of feed grains result in substantial decreases in livestock production and in an inadequate flow of livestock and livestock products in interstate and foreign commerce, with the consequence of unreasonably high prices to consumers and loss of markets for producers.

"Although certain feed grains are better suited for production in some areas than other feed grains, in general, one of several feed grains can be grown on the same land. A marketing program which provides for a single quota applicable to feed grains and which permits producers to determine, within the quota, which feed grains they shall produce will tend to effectuate the policy of the Act and will permit producers the maximum amount of freedom of choice consistent with the attainment of the policy of the Act.

"The conditions affecting the production and marketing of feed grains are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively provide for a balance supply of feed grains and the orderly marketing of feed grains in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers.

"The national public interest and general welfare require that the burdens on interstate and foreign commerce above described be removed by the exercise of Federal power. Feed grains which do not move in the form of feed grains outside of the State where they are produced are so closely and substantially related to feed grains which move in the form of feed grains outside of the State where they are produced, and have such a close and substantial relation to the volume and price of livestock and livestock products in interstate and foreign commerce, that it is necessary to regulate feed grains which do not move outside of the State where they are produced to the extent set forth in this Act.

"The diversion of substantial acreage from feed grains to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of feed grains to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

"National marketing quota

"SEC. 360b. (a) Whenever prior to June 20 in any calendar year the Secretary determines that the total supply of feed grains in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for feed grains shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

"(b) If a national marketing quota for feed grains has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than June 20 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for feed grains for any marketing year shall be an amount of feed grains which, during such marketing year, the Secretary estimates (i) will be utilized in the United States in the production of the volume of livestock (including poultry) and livestock products determined to be needed to meet domestic consumption and export requirements, (ii) will be utilized for human consumption in the United States as food, food products, and beverages, composed wholly or partly of feed grains, (iii) will be utilized in the United States for seed and industrial uses, and (iv) will be exported either in the form of feed grains or products thereof; less (A) an amount of feed grains equal to the estimated imports of feed grains into the United States during such marketing year and, (B) if the stocks of feed grains owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of feed grains determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: *Provided*, That if the Secretary determines that the total stocks of feed grains in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover: *And provided further*, That the national marketing quota for feed grains for any marketing year shall be not less than one hundred and ten million tons.

"(c) If, after the proclamation of a national marketing quota for feed grains for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for feed grains, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for feed grains. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage.

"National acreage allotment

"SEC. 360c. Whenever the amount of the national marketing quota for feed grains is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of feed grains planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with the expected production (1) on increased acreage resulting from exemptions pursuant to sections 360f and 360k, and (2) of silage on acreage excluded from the acreage of feed grains pursuant to section 301(a)(11), make available a supply of feed grains equal to the national marketing quota for feed grains for such marketing year.

"Apportionment of national acreage allotment

"SEC 360d. (a) The national acreage allotment for any crop of feed grains, less a reserve acreage of not to exceed 1 per centum thereof for use as provided in subsection (b)(2) of this section, shall be apportioned by the Secretary among the several States on the basis of the base acreage of feed grains for each State. The State base acreage of feed grains shall be the average acreage of feed grains in the State during the base period, adjusted pursuant to subsection (d) of this section.

"(b)(1) The State acreage allotment for any crop of feed grains, less a reserve acreage of not to exceed 3 per centum thereof for use as provided in subsection (c)(2) of this section, shall be apportioned by the Secretary among the counties in the State on the basis of the base acreage of feed grains for each county. The county base acreage of feed grains shall be the average acreage of feed grains in the county during the base period, adjusted pursuant to subsection (d) of this section.

"(2) The reserve acreage established pursuant to subsection (a) of this section shall be used by the Secretary to make increases in county acreage allotments on the basis of the relative needs of counties for an additional share of the national acreage allotment because of reclamation and other new areas coming into the production of feed grains.

"(c)(1) The county acreage allotment for any crop of feed grains shall be apportioned by the Secretary, through the county committee, among the farms in the county on the basis of the base acreage of feed grains for each farm. The farm base acreage of feed grains shall be the average acreage of feed grains on the farm during the base period, adjusted pursuant to subsection (d) of this section.

"(2) The reserve acreage established pursuant to subsection (b)(1) of this section shall be available:

"(A) For apportionment to farms which were eligible to receive farm acreage allotments under this part, but which through error did not receive such allotments;

"(B) For making increases in farm acreage allotments on the basis of any one or more of the following factors: tillable acres, type of soil, topography, established crop-rotation practices on the farm, hardship, inequities in allotments, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm acreage allotments; and

"(C) For apportionment to farms for which farm acreage allotments were not determined because there were no acreages of feed grains on such farms during the base period on the basis of the following factors: the suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of

establishing fair and equitable farm acreage allotments.

"(d) In determining the State, county, and farm base acreages—

"(1) the base period shall be the calendar years 1959 and 1960 for the purpose of determining acreage allotments for the 1963, 1964, and 1965 crops of feed grains; and for the purpose of determining acreage allotments for subsequent crops of feed grains, the base period shall be the two most recent calendar years during which a marketing quota program was in effect for which statistics of the Federal Government are available;

"(2) the Secretary shall make such adjustments as he determines are necessary for abnormal conditions affecting the acreage of feed grains planted for harvest, land which is regarded as devoted to the production of feed grains under Federal farm programs, acreage diverted from the production of feed grains under this part, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable base acreages;

"(3) the acreage of feed grains on the farm in excess of the farm acreage allotment shall be excluded in determining the average acreage of feed grains for the State, county, or farm, except that in the case of a farm which is exempt from the farm marketing quota under the small-farm exemption in section 360f, or under the exemption in section 360k, the acreage on the farm in excess of the farm acreage allotment but not in excess of the farm base acreage, shall not be excluded.

"(4) the acreage of wheat produced on the farm in excess of the farm acreage allotment pursuant to the exemption provided in section 335(f), in effect prior to the enactment of this part VII, shall be considered as an acreage of feed grains in determining the average acreage of feed grains for the State, county, or farm, and shall not be considered as an acreage of wheat in determining the small-farm base acreage for wheat pursuant to section 335.

"Geographical applicability

"SEC. 360e. This part VII shall be applicable to the continental United States excluding Alaska.

"Small farm exemption

"SEC. 360f. Notwithstanding any other provision of this part, no farm marketing quota for any crop of feed grains shall be applicable to any farm with a farm acreage allotment of less than twenty-five acres if the acreage of such crop of feed grains does not exceed the smaller of (A) the farm base acreage determined for the farm, or (B) twenty-five acres unless the operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. If the operator of any such farm fails to make such election with respect to any crop of feed grains, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the smaller of (A) the farm base acreage, or (B) twenty-five acres, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, and (iii) such crop of feed grains shall not be eligible for price support.

"Referendum

"SEC. 360g. If a national marketing quota for feed grains for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a feed grain base shall be eligible to vote in any referendum held pursuant to this section, except a producer who has a farm acreage allotment of less than twenty-five acres shall not be eligible to vote unless the farm operator elected, pursuant to section 360f, to be subject to the farm acreage allotment and marketing quota. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of feed grains produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period.

"Compliance

"SEC. 360h. (a) (1) The farm marketing quota for any crop of feed grains shall be the actual production of the acreage of feed grains on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal production of the acreage of feed grains on the farm in excess of the farm acreage allotment for such crop: *Provided*, That the farm marketing excess shall be an amount equal to the actual production of the number of acres of feed grains on the farm in excess of the farm acreage allotment for such crop, if the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of feed grains on the farm: *Provided further*, That if there is an acreage of more than one feed grain on the farm, in determining which acreage is in excess of the farm acreage allotment, the acreage of the feed grain or grains which has the highest value, based on the normal yield of the feed grain on the farm multiplied by the basic county support rate for the feed grain, shall be considered as the acreage in excess of the farm acreage allotment.

"(2) For the purposes of this section, (i) 'actual production' of any number of acres of a feed grain on a farm means the actual average yield of such feed grain on the farm multiplied by the number of acres of such feed grain, and (ii) 'normal production' of any number of acres of a feed grain on a farm means the normal yield of such feed grain on the farm multiplied by the number of acres of such feed grain. The normal yield of any feed grain for a farm shall be the average yield per acre of such feed grain on the farm during the five calendar years immediately preceding the year in which such normal yield is determined, adjusted for abnormal weather conditions and for trends in yields. If for any such year the data are not available or there is no actual yield, then the normal yield for the farm shall be appraised in accordance with regulations issued by the Secretary, taking into consideration abnormal weather conditions, trends in yields, the normal yield for the county, the normal yields for similar or adjacent farms, and the yield in years for which data are available.

"(3) In determining the farm marketing quota and farm marketing excess, (i) any acreage of a feed grain remaining after the date prescribed by the Secretary for the disposal of excess acres of such feed grain shall be included as an acreage of feed grains on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production, (ii) any acreage of any feed grain classified as wheat acreage pursuant to section 360i shall not be considered feed grain acreage, and (iii) any acreage of feed grains disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess, and (iv) any acreage of barley disposed of by grazing not later than thirty days prior to the date the harvest of barley normally begins in the county or the area within the county as determined by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Marketing quotas for any marketing year shall be in effect with respect to feed grains harvested in the calendar year in which such marketing year begins notwithstanding that the feed grains are marketed prior to the beginning of such marketing year.

"(b) Whenever farm marketing quotas are in effect with respect to any crop of feed grains, the farm marketing excess of any feed grain shall be regarded as available for marketing, and the producers on a farm shall be subject to a penalty on the farm marketing excess of feed grains at a rate per bushel on the amount of feed grains in the farm marketing excess equal to 65 per centum of the parity price of the particular feed grain involved as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of feed grains on any farm for which a farm marketing excess of feed grains is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess.

"(c) If the farm marketing excess is adjusted downward on the basis of actual production as heretofore provided, the difference between the amount of the penalty computed upon the basis of twice the normal production and as computed upon the basis of actual production shall be returned to or allowed the producer.

"(d) Until the producers on any farm pay the penalty on the farm marketing excess of any crop of feed grains, the entire crop of feed grains produced on the farm and any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty.

"(e) Until the penalty on the farm marketing excess of feed grains is paid, each bushel of feed grains produced on the farm shall be subject to the penalty specified in subsection (b) of this section, and such penalty on each bushel of feed grains which is sold by the producer to any person within the United States shall be paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer. If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the feed grains marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty.

"(f) The persons liable for the payment or collection of the penalty on any amount of feed grains shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"Substitution of wheat and feed grains

"SEC. 360i. Notwithstanding any other provision of law, the Secretary shall permit producers of wheat to have acreage devoted to the production of wheat considered as devoted to the production of feed grains, and producers of feed grains to have acreage devoted to the production of feed grains considered as devoted to the production of wheat, to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of this subtitle B.

"Land use

"SEC. 360j. (a)(1) During any year in which marketing quotas for feed grains are in effect, the producers on any farm (except a farm for which a farm acreage allotment is established pursuant to section 360d(c)(2)(C)) on which any crop is produced on acreage required to be diverted from the production of feed grains shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crop, as provided in this subsection, unless (i) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage, or as one the production of which will not substantially impair the purpose of the requirements of this section, or (ii) no feed grains are produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of feed grains on the farm shall be an acreage of cropland equal to the amount by which the base acreage of feed grains for the farm exceeds the farm acreage allotment for feed grains. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel, as of May 1 of the calendar year in which the crop is harvested, of the feed grain determined by the Secretary to be the principal feed grain produced in the county, multiplied by the normal yield for such feed grain as defined in section 360h(a). Until the producers on any farm pay the penalty on such crop, the entire crop of feed grains produced on the farm and any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of feed grains shall be jointly and severally liable for the entire amount of the penalty. The Secretary may require the penalty on the production of crops on the diverted acreage to be collected by the purchaser of feed grains produced on the farm. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(2) The Secretary may require that the acreage on any farm diverted from the production of feed grains be land which was diverted from the production of feed grains in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

"(3) The diverted acreage shall not be grazed unless the Secretary, after certification by the Governor of the State in which such acreage is situated of the need for grazing on such acreage, determines that it is necessary to permit grazing thereon in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster, and consents to such grazing.

"(b) The Secretary is authorized to formulate and carry out a program with respect to the 1963, 1964, and 1965 crops of feed grains under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate on the normal production of the acreage diverted, taking into account the income objectives of the Act, determined by the Secretary to be fair and reasonable to producers with respect to acreage diverted pursuant to subsection (a) of this section. The Secretary may permit the producers on the farm to divert from the production of feed grains an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for feed grains: *Provided*, That the producers on any farm may, at their election, divert such acreage, in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to twenty-five acres. Such programs shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above and acreage diverted under the land-use provisions for wheat pursuant to section 339, shall not be less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during the base period used in determining the farm acreage allotment adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) for other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producers shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulation prescribe, the farm acreage allotments on any other farm for any crop in which the producer has a share: *Provided*, That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess of wheat is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty: *And provided further*, That no producer shall be deemed to have exceeded a farm acreage allotment for any crop of wheat or feed grains if the farm is exempt from the farm marketing quota for such crop under section 335, 360f, or 360k. The producer on any farm for which a farm acreage allotment is established pursuant to section 360d(c)(2)(C) shall not be eligible for payments hereunder. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. Payments may be made in cash or in feed grains.

"(c) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under subsection (b) of this section.

"(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

"(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at the rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

"(f) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, including provision for the control of erosion, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(g) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

"(h) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

"(i) Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of this section, or of subsections (c) and (d) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended, and payment may be made therefor in accordance with such action or advice to the extent the Secretary deems is desirable in order to provide fair and equitable treatment.

"Deficit areas

"SEC. 360k. Notwithstanding any other provision of this part, in any area (county, State, or region) in which the Secretary determines (1) that the application of the provisions of this Act would result in an average loss of 25 per centum gross income to producers in such area, would increase by 25 per centum the price of feed grains in such area relative to other areas, and would disrupt normal farming practices in such area, based on 1959–1960 operations, and (2) that the exception provided by this section would not impair the effective operation of this Act, he may provide in accordance with such regulations as he may prescribe that no farm marketing quota (that is, production on the acreage allotment) for any crop of feed grains shall be applicable to any farm in such area, if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm. If the Secretary so provides, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the farm base acreage, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, (iii) such crop of feed grains shall not be eligible for price support, and (iv) the producers on such farm shall not be eligible to vote in any referendum on marketing quotas for such crop.

"Authority to exempt Malting barley

"SEC. 3601. Notwithstanding any other provision of this part, if with respect to any crop of barley the Secretary finds that there is not likely to be production of a sufficient quantity of Malting barley to satisfy the demand therefor, subject to such terms and conditions as the Secretary shall prescribe, the farm marketing quota or farm acreage allotment for any crop of feed grains shall not be applicable to Malting barley on any farm, if (i) the operator elects in writing on a form and within the time prescribed by the Secretary to have Malting barley exempt therefrom, (ii) such operator has previously produced a Malting variety of barley, plants barley only of an acceptable Malting variety for harvest during the crop year, and does

not knowingly devote during such crop year an acreage on the farm to barley in excess of 110 per centum of the acreage devoted on the farm to barley in 1959 and 1960, or such later two-year period determined by the Secretary to be representative, and (iii) the farm base acreage and the farm acreage allotment for such crop of feed grains are adjusted downward by such amount as the Secretary determines appropriate to reflect the exclusion of such barley from the farm acreage allotment."

SEC. 302. Section 2 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out "and" immediately following the last semicolon, by changing the period at the end thereof to a semicolon, and by adding immediately following such new semicolon the following: "and to reduce the annual carryover of feed grains, to stabilize the supply of feed grains, and to provide for an adequate and balanced flow of feed grains so that the prices of feed grains are fair to producers and consumers and the total supply of feed grains available for utilization for livestock feed is maintained at a level which is consistent with the production of the quantities of livestock and the products thereof that will be consumed and exported at prices which are fair to producers and consumers."

SEC. 303. Section 301 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended as follows:

(1) Subsection (a) is amended by adding at the end thereof the following new items:

"(10) The term 'feed grains' means corn, grain sorghums, and barley.

"(11) The term 'acreage of feed grains' means acreage of feed grains planted for harvest (including self-seeded feed grains), but excluding the acreage of feed grains harvested for silage not in excess of the acreage of feed grains harvested for silage during the base period as defined in section 360d(d) if the operator of the farm elects in writing to have such feed grains harvested for silage excluded. The review provisions applicable to marketing quotas in sections 361–367 shall apply to the determination of the acreage of silage exempt under this subsection.

"(12) The term 'crop' as applied to 'feed grains' means all of the crops of the agricultural commodities which comprise feed grains and which are produced for harvest in the same calendar year."

(2) Subsection (b)(6)(A) is amended to read as follows:

"(6)(A) 'Market', in the case of cotton, rice, tobacco, wheat, and feed grains, means to dispose of, in raw or processed form, by voluntary or involuntary sale, barter, or exchange, or by gift inter vivos, and, in the case of wheat and feed grains, by feeding (in any form) to poultry or livestock which, or the products of which, are sold, bartered, or exchanged, or to be so disposed of."

(3) Subsection (b)(7) is amended to read as follows:

"(7) 'Marketing year' means, in the case of the following commodities, the period beginning on the first and ending with the second date specified below:

"Barley, July 1–June 30;

"Corn, October 1–September 30;

"Cotton, August 1–July 31;

"Grain sorghums, July 1–June 30;

"Peanuts, August 1–July 31;

"Rice, August 1–July 31;

"Tobacco (flue-cured), July 1–June 30;

"Tobacco (other than flue-cured), October 1–September 30;

"Wheat, July 1–June 30.

" 'Marketing year' means, in the case of 'feed grains', the marketing years for the agricultural commodities comprising the feed grains."

SEC. 304. Sections 361, 362, and 363 of the Agricultural Adjustment Act of 1938, as amended, are hereby amended as follows:

(1) Section 361 is amended by adding "feed grains," after "wheat,", and by changing the period at the end of the section to a comma and adding the following: "and to the review of land-use penalties assessed pursuant to sections 339 and 360j."

(2) Section 362 is amended by adding at the end thereof the following: "Notice of the land-use penalty assessed pursuant to section 339 or 360j shall be mailed to the farmer."

(3) Section 363 is amended by adding "or land-use penalty" after the word "quota" wherever it appears in such section.

SEC. 305. Section 372 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding "feed grains," after "wheat," in subsection (a) thereof.

SEC. 306. Sections 373, 374, and 375 of the Agricultural Adjustment Act of 1938, as amended, are hereby amended by deleting "corn" wherever it appears and by substituting in lieu thereof "feed grains"; and subsection (b) of section 375 of the Agricultural Adjustment Act of 1938, as amended, is further amended by striking out the period at the end of the sentence and inserting at the end thereof the following: "or to effectuate the provisions thereof."

SEC. 307. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by inserting in the first sentence after "Soil Conservation Act payment," the following: "payment under section 360j,".

SEC. 308. The amendments to the Agricultural Adjustment Act of 1938, as amended, made by sections 301 through 307 of this Act shall be in effect only with respect to programs applicable to crops planted for harvest in the calendar year 1963 or any subsequent year and to the marketing years beginning in the calendar year 1963 or any subsequent year.

SEC. 309. The Agricultural Act of 1949, as amended, is amended as follows:

(1) By amending section 105 by deleting subsections (a) and (b) and substituting the following:

(a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop—

"(1) if marketing quotas for any crop of corn, grain sorghums, and barley are not disapproved by producers, price support for corn of such crop shall be made available at such level not less than 65 per centum or more 90 per centum of the parity price therefor as the Secretary determines appropriate after consideration of (i) the factors specified in section 401(b) of this Act, (ii) the supplies of feed grains that would be available during the marketing year at prices approximating the support prices of feed grains, and (iii) consumption goals during the marketing year for livestock and livestock products, taking into consideration consumption under special governmental programs, and imports and exports of livestock and livestock products.

"(2) if marketing quotas for any crop of corn, grain sorghums, and barley are disapproved by producers, price support for corn of such crop shall be at such level not to exceed 50 per centum of the parity price therefor as the Secretary determines appropriate after consideration of the factors specified in section 401(b).

"(3) price support for each crop of barley and grain sorghums, respectively, shall be at such level as the Secretary determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such feed grain in relation to corn and the other factors specified in section 401(b) of this Act.

"(4) price support for corn, grain sorghums, and barley shall be made available only to cooperators.

"(5) if marketing quotas are in effect for the crop of corn, grain sorghums, and barley, a 'cooperator' with respect to any such feed grain produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for feed grains or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (ii) complies with the land-use requirements of section 360j of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. If marketing quotas are not in effect for the crop of corn, grain sorghums, and barley, a 'cooperator' with respect to any crop of corn, grain sorghums, and barley produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for feed grains. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess of wheat is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such farm marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on the farm, or the farm acreage allotment for wheat or feed grains on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335, 360f, or 360k of the Agricultural Adjustment Act of 1938, as amended."

(2) By amending section 105 by redesignating subsection (c) thereof as subsection (b).

(3) By amending section 401 by inserting after the comma before "(2)" the following: "(2) the income needed to provide a farm operator and his family with a return for his labor and investment equal to the return earned by comparable resources in other occupations", and by renumbering (2), (3), (4), (5), (6), (7), and (8) as (3), (4), (5), (6), (7), (8), and (9), respectively.

(4) By adding at the end of section 407 the following: "Notwithstanding any other provision hereof, (i) if a marketing quota for feed grains for any marketing year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from its stocks during such marketing year not to exceed ten million tons, or the equivalent in bushels, of feed grains at not less than 2 per centum above the current support price for such commodity, plus reasonable carrying charges, (ii) if a marketing quota for wheat for any marketing year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from its stocks during the marketing year not to exceed two hundred million bushels of wheat at not less than 2 per centum above the current support price for such commodity, plus reasonable carrying charges."

Subtitle B—Wheat

SEC. 310. Section 331 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the last paragraph thereof and inserting in lieu thereof the following paragraphs:

"Wheat which is planted and not disposed of prior to the date prescribed by the Secretary for the disposal of excess acres of wheat is an addition to the total supply of wheat and has a direct effect on the price of wheat in interstate and foreign commerce and may also affect the supply and price of livestock and livestock products. In the circumstances, wheat not disposed of prior to such date must be considered in the same manner as mechanically harvested wheat in order to achieve the policy of the Act.

"The diversion of substantial acreages from wheat to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely

affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of wheat to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

"The provisions of this part affording a cooperative plan to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, to provide for an adequate and orderly flow of wheat and its products in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers, and to prevent acreage diverted from the production of wheat from adversely affecting other commodities in interstate and foreign commerce."

SEC. 311. Section 332 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the provisions of such section and by inserting in lieu thereof the following:

"National Marketing Quota

"SEC. 332. (a) Whenever prior to April 15 in any calendar year the Secretary determines that the total supply of wheat in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for wheat shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

"(b) If a national marketing quota for wheat has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than April 15 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for wheat for any marketing year shall be an amount of wheat which the Secretary estimates (i) will be utilized during such marketing year for human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, (ii) will be utilized during such marketing year in the United States for seed, (iii) will be exported either in the form of wheat or products thereof, and (iv) as the average amount which was utilized as livestock (including poultry) feed in the marketing years beginning in 1959 and 1960; less (A) an amount of wheat equal to the estimated imports of wheat into the United States during such marketing year and, (B) if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of wheat determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: *Provided,* That if the Secretary determines that the total stocks of wheat in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover: *And provided further,* That the national marketing quota for wheat for any marketing year shall be not less than one billion bushels.

"(c) If, after the proclamation of a national marketing quota for wheat for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for wheat, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage."

SEC. 312. Section 333 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"National Acreage Allotment

"SEC. 333. Whenever the amount of the national marketing quota for wheat is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of wheat planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with (1) the expected production on the increases in acreage allotments for farms based upon small-farm base acreages pursuant to section 335, and (2) the expected production on increased acreages resulting from the small-farm exemption pursuant to section 335, make available a supply of wheat equal to the national marketing quota for wheat for such marketing year."

SEC. 313. Section 334 of the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By amending subsection (e) thereof by striking out in the first sentence thereof "any of the 1962, 1963, and 1964 crops" and inserting in lieu thereof "the 1962 crop".

(2) By repealing subsection (g) thereof and by redesignating subsections (h) and (i) thereof as (g) and (h) respectively.

(3) By amending subsection (i) thereof, redesignated by this section as subsection (h), by inserting the following sentence immediately following the seventh sentence thereof: "The land-use provisions of section 339 shall not be applicable to any farm receiving an additional allotment under this subsection."

(4) By striking out of the last sentence of subsection (i) thereof (added by Public Law 87–357, 87th Congress, 1st session), redesignated by this section as subsection (h), "or 1963".

(5) By adding at the end thereof the following new subsection:

"(i) If, with respect to any crop of wheat, the Secretary finds that the acreage allotments of farms producing any kind of wheat are inadequate to provide for the production of a sufficient quantity of such kind of wheat to satisfy the demand therefor, the wheat acreage allotment for such crop for each farm located in a county designated by the Secretary as a county which (1) is capable of producing such kind of wheat, and (2) has produced such kind of wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increase shall be made under this subsection in the wheat acreage allotment of any farm for any crop if any wheat other than such kind of wheat is planted on such farm for such crop. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340 (6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection and the producers on such farms shall not be required to comply with such provisions as a condition of eligibility for price support."

SEC. 314. Part III of subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding immediately after section 334 thereof the following:

"Commercial area

"SEC. 334a. If the acreage allotment for any State for any crop of wheat is twenty-five thousand acres or less, the Secretary, in order to promote efficient administration of this Act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for the marketing year for such crop. If such State is so designated, acreage allotments for such crop and marketing quotas for the marketing year therefor shall not be applicable to any farm in such State. Acreage allotments in any State shall not be increased by reason of such designation."

SEC. 315. Section 335 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"Small farm exemption

"SEC. 335. Notwithstanding any other provision of this part, no farm marketing quota for any crop of wheat shall be applicable to any farm with a farm acreage allotment of less than fifteen acres if the acreage of such crop of wheat does not exceed the small-farm base acreage determined for the farm, unless the operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. The small-farm base acreage for a farm shall be the smaller of (A) the average acreage of the crop of wheat planted for harvest in the three years in which the acreage was highest during the five-year period 1957–1961, or such later five-year period determined by the Secretary to be representative, with adjustments for abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable small-farm base acreage, or (B) fifteen acres. The acreage allotment for any farm shall be the larger of (1) the small-farm base acreage determined as provided above on the basis of the five-year period 1957–1961, reduced by the same percentage by which the

national acreage allotment for the crop is reduced below fifty-five million acres, or (2) the acreage allotment determined without regard to (1) above. If the operator of any such farm fails to make such election with respect to any crop of wheat, (i) for the purposes of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, the farm acreage allotment for such crop of wheat shall be deemed to be the larger of (A) the small-farm base acreage or (B) the acreage allotment for the farm, (ii) the land-use provisions of section 339 shall be inapplicable to the farm, (iii) such crop of wheat shall not be eligible for price support, and (iv) wheat marketing certificates applicable to such crop shall not be issued with respect to the farm. The additional acreage required to provide acreage allotments for farms based upon small-farm base acreages under this section shall be in addition to National, State, and county acreage allotments."

SEC. 316. Section 336 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"Referendum

"SEC. 336. If a national marketing quota for wheat for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a farm acreage allotment shall be eligible to vote in any referendum held pursuant to this section, except that a producer who has a farm acreage allotment of less than fifteen acres shall not be eligible to vote unless the farm operator elected pursuant to section 335 to be subject to the farm marketing quota. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of wheat procured for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period."

SEC. 317. Section 337 of the Agricultural Adjustment Act of 1938, as amended, is hereby repealed.

SEC. 318. The Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding after section 338 a new section as follows:

"Land use

"SEC. 339. (a) (1) During any year in which marketing quotas for wheat are in effect, the producers on any farm (except a new farm receiving an allotment from the reserve for new farms) on which any crop is produced on acreage required to be diverted from the production of wheat shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crops, as provided in this subsection unless (i) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage, or as one the production of which will not substantially impair the purpose of the requirements of this section, or (2) no wheat is produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of wheat on the farm shall be an acreage of cropland equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor determined by dividing the number of acres by which the national acreage allotment is reduced below fifty-five million acres by the number of acres in the national acreage allotment. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested, multiplied by the normal yield of wheat per acre established for the farm. Until the producers on any farm pay the penalty on such crop, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of wheat shall be jointly and severally liable for the entire amount of the penalty. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(2) The Secretary may require that the acreage on any farm diverted from the production of wheat be land which was diverted from the production of wheat in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

"(3) The Secretary may permit the diverted acreage to be grazed in accordance with regulations prescribed by the Secretary.

"(b) The Secretary is authorized to formulate and carry out a program with respect to the 1963, 1964, and 1965 crops of wheat under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate on the normal production of the acreage diverted taking into account the income objectives of the Act, determined by the Secretary to be fair and reasonable with respect to acreage diverted pursuant to subsection (a) of this section. The Secretary may permit producers on any farm to divert from the production of wheat an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for wheat: *Provided*, That the producers on any farm may, at their election, divert such acreage in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to fifteen acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above, and acreage diverted under section 16(g) of the Soil Conservation and Domestic Allotment Act shall be not less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during a representative period, as determined by the Secretary, adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producer shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm and (ii) except as the Secretary may by regulations prescribe, with the farm acreage allotments on any other farm for any crop in which the producer has a share: *Provided*, That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty: *And provided further*, That no producer shall be deemed to have exceeded a farm acreage allotment for any crop of wheat or feed grains if the farm is exempt from the farm marketing quota for such crop under sections 335, 360f, or 360k. The producers on a new farm shall not be eligible for payments hereunder. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. Payments may be made in cash or in wheat.

"(c) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the land-use program formulated under subsection (b) of this section.

"(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

"(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, other annual field crops for which price support is not made available, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.

"(f) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(g) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

"(h) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

"(i) Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of this section, or of section 124 of the Agricultural Act of 1961 (75 Stat. 297–298), and payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment."

SEC. 319. Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, is hereby amended as follows:

(1) By amending paragraph (1) to read as follows:

"(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be an amount equal to the actual production of the number of acres of wheat on the farm in excess of the farm acreage allotment for such crop. In determining the farm marketing quota and farm marketing excess, any acreage of wheat remaining after the date prescribed by the Secretary for the disposal of excess acres of wheat shall be included as acreage of wheat on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production. Any acreage of wheat disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Self-seeded (volunteer) wheat shall be included in determining the acreage of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year."

(2) By amending paragraph (2) to read as follows:

"(2) Whenever farm marketing quotas are in effect with respect to any crop of wheat, the producers on a farm shall be subject to a penalty on the farm marketing excess of wheat at a rate per bushel equal to 65 percentum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of wheat on any farm for which a farm marketing excess of wheat is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess."

(3) By inserting in paragraph (3) "twice" before "the normal production" in the first and second sentences thereof, and by inserting in the second sentence thereof "twice the" between "of" and "normal" in the phrase "upon the basis of normal production", by striking out "corn and" from the first sentence thereof, and by striking out "corn or" from the last sentence thereof.

(4) By amending paragraph (4) to read as follows:

"(4) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of wheat, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty."

(5) By striking out "corn or" from paragraph (5).

(6) By striking out "corn or" from paragraph (6).

(7) By repealing paragraph (7), and by renumbering paragraphs (8) through (11) as (7) through (10), respectively.

(8) By striking out "corn or" and ", as the case may be," from paragraph (8), redesignated by this section as paragraph (7), and adding at the end of such paragraph the following sentence: "If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the wheat marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty."

(9) By repealing paragraph (12), and by adding the following new paragraphs to follow paragraph (11), redesignated by this section as paragraph (10):

"(11) The persons liable for the payment or collection of the penalty on any amount of wheat shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(12) If marketing quotas for wheat are not in effect for any marketing year, all previous marketing quotas applicable to wheat shall be terminated, effective as of the first day of such marketing year. Such termination shall not abate any penalty previously incurred by a producer or relieve any buyer of the duty to remit penalties previously collected by him."

SEC. 320. Section 301(b)(13) of the Agricultural Adjustment Act of 1938, as amended, is amended—

(1) by striking out paragraph (A);

(2) by inserting in paragraphs (D) and (E) after the words "in the case of rice" the words "and wheat" and by inserting in said paragraphs after the words "per acre of rice" the following: "or wheat, as the case may be,";

(3) by striking from paragraph (G) the following: (A) "wheat," in each of the two places it first occurs therein; (B) "and, in the case of wheat, but not in the case of corn, cotton, or peanuts, for trends in yields"; (C) "ten calendar years in the case of wheat, and"; and (D) "in the case of corn, cotton, or peanuts,".

SEC. 321. Section 371 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended as follows:

(1) Subsection (a) is amended by deleting "corn, wheat," in the first sentence thereof.

(2) The first sentence of subsection (b) is amended by striking out "any national acreage allotment for corn or", "wheat," and "in order to effect the declared policy of this Act or".

SEC. 322. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by inserting in the first sentence after "parity payment," the following: "payment under section 339,".

SEC. 323. The amendments to the Agricultural Adjustment Act of 1938, as amended, and to Public Law 74, Seventy-seventh Congress, as amended, made by sections 310 through 322 of this Act shall be in effect only with respect to programs applicable to the crops planted for harvest in the calendar year 1963 or any subsequent year and the marketing years beginning in the calendar year 1963, or any subsequent year.

Wheat marketing allocation program

SEC. 324. Title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended (1) by designating subtitles D and E as subtitles E and F, respectively, and (2) by inserting after subtitle C a new subtitle D as follows:

"Subtitle D—Wheat marketing allocation

"Legislative findings

"SEC. 379a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is necessary to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. Unreasonably low prices of wheat to producers impair their purchasing power for nonagricultural products and place them in a position of serious disparity with other industrial groups. The conditions affecting the production of wheat are such that without Federal assistance, producers cannot effectively prevent disastrously low prices for wheat. It is necessary, in order to assist wheat producers in obtaining fair prices, to regulate the price of wheat used for domestic food and for exports in the manner provided in this subtitle.

"Wheat marketing allocation

"SEC. 379b. During any marketing year for which a marketing quota is in effect for wheat, beginning with the marketing year for the 1963 crop, a wheat marketing allocation program shall be in effect as provided in this subtitle. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat which will be used during such year for human consumption in the United States, as food, food products, and beverages, composed wholly or partly of wheat, and that portion of the amount of wheat which will be exported in the form of wheat or products thereof during the marketing year on which the Secretary determines that marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage which shall be the percentage which the national marketing allocation is of the national marketing quota. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the normal yield of wheat for the farm as determined by the Secretary, and multiplying the resulting number of bushels by the national allocation percentage. If a noncommercial wheat-producing area is established for any marketing year, farms in such area shall be given wheat marketing allocations which are determined by the Secretary to be fair and reasonable in relation to the wheat marketing allocation given producers in the commercial wheat-producing area.

"Marketing certificates

"SEC. 379c. (a) The Secretary shall provide for the issuance of wheat marketing certificates for each marketing year for which a wheat marketing allocation program is in effect for the purpose of enabling producers on any farm with respect to which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the value of such certificates. The wheat marketing certificates issued with respect to any farm for any marketing year shall be in the amount of the farm wheat marketing allocation for such year, but not to exceed (i) the actual acreage of wheat planted on the farm for harvest in the calendar year in which the marketing year begins multiplied by the normal yield of wheat for the farm, plus (ii) the amount of wheat stored to avoid or postpone a marketing quota penalty, which is released from storage during the marketing year on account of underplanting or underproduction. The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom.

"(b) No producer shall be eligible to receive wheat marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm or in which the farm has not complied with

the land-use requirements of section 339 to the extent prescribed by the Secretary, or in which, except as the Secretary may by regulation prescribe, the producer exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty. No producer shall be deemed to have exceeded the farm acreage allotment for feed grains on the farm, or the farm acreage allotment for wheat or feed grains on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335, 360f or 360k.

"(c) Whenever a wheat marketing allocation program is in effect for any marketing year, the Secretary shall determine and proclaim for such marketing year the face value per bushel of marketing certificates. The face value per bushel of marketing certificates shall be equal to the amount by which the level of price support for wheat accompanied by certificates exceeds the level of price support for wheat not accompanied by certificates (noncertificate wheat).

"(d) Marketing certificates and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"Marketing restrictions

"SEC. 379d. (a) All persons are prohibited from acquiring marketing certificates from the producer to whom such certificates are issued, unless such certificates are acquired in connection with the acquisition from such producer of a number of bushels of wheat equivalent to the market certificates. Marketing certificates shall be transferable only in accordance with regulations prescribed by the Secretary. Any unused certificates held by persons other than the producer to whom such certificates are issued shall be purchased by Commodity Credit Corporation. Notwithstanding the foregoing provisions of this section, Commodity Credit Corporation is authorized to purchase from producers certificates not accompanied by wheat in cases where the Secretary determines that it would constitute an undue hardship to require the producer to transfer his certificates only in connection with the disposition of wheat.

"(b) During any marketing year for which a wheat marketing allocation program is in effect, (i) all persons engaged in the processing of wheat into food products composed wholly or partly of wheat shall, prior to marketing any such product for human food in the United States, acquire marketing certificates equivalent to the number of bushels of wheat contained in such product, and (ii) all persons exporting wheat or food products composed wholly or partly of wheat shall prior to such export acquire marketing certificates equivalent to the number of bushels so exported. Marketing certificates shall be valid to cover only sales or exportations made during the marketing year with respect to which they are issued, and after being once used to cover a sale or export of a food product or an export of wheat shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary.

"(c) Upon the giving of a bond or other undertaking satisfactory to the Secretary to secure the purchase of and payment for such marketing certificates as may be required, and subject to such regulations as he may prescribe, any person required to have marketing certificates in order to market or export a commodity may be permitted to market any such commodity without having first acquired marketing certificates.

"(d) As used in this subtitle, the term 'food products' means any product to be used for human consumption, including beverage.

"Assistance in purchase and sale of marketing certificates

"SEC. 379e. For the purpose of facilitating the purchase and sale of marketing certificates, the Commodity Credit Corporation is authorized to issue, buy, and sell marketing certificates in accordance with regulations prescribed by the Secretary. Such regulations may authorize the Corporation to issue and sell certificates in excess of the quantity of certificates which it purchases. Such regulations may authorize the Corporation in the sale of marketing certificates to charge, in addition to the face value thereof, an amount determined by the Secretary to be appropriate to cover estimated administrative costs in connection with the purchase and sale of the certificates and estimated interest incurred on funds of the Corporation invested in certificates purchased by it.

"Conversion factors

"SEC. 379f. The Secretary shall establish conversion factors which shall be used to determine the amount of wheat contained in any food product. The conversion factor for any such food product shall be determined upon the basis of the weight of wheat used in the manufacture of such product.

"Authority to facilitate transition

"SEC. 379g. The Secretary is authorized to take such action as he determines to be necessary to facilitate the transition from the program currently in effect to the program provided for in this subtitle. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to exempt all or a portion of the wheat or food products made therefrom in the channels of trade on the effective date of the program under this subtitle from the marketing restrictions in subsection (b) of section 379d, or to sell certificates to persons owning such wheat or food products at such prices as the Secretary may determine. Any such certificate shall be issued by Commodity Credit Corporation.

"Reports and records

"SEC. 379h. This section shall apply to processors of wheat, warehousemen and exporters of wheat and flour, and all persons purchasing, selling, or otherwise dealing in wheat marketing certificates. Any such person shall, from time to time on request of the Secretary, report to the Secretary such information and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this subtitle. Such information shall be reported and such records shall be kept in such manner as the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memorandums as he has reason to believe are relevant and are within the control of such person.

"Penalties

"SEC. 379i. (a) Any person who violates or attempts to violate or who participates or aids in the violation of any of the provisions of subsection (b) of section 379d of this Act shall forfeit to the United States a sum equal to two times the face value of the marketing certificates involved in such violation. Such forfeiture shall be recoverable in a civil action brought in the name of the United States.

"(b) Any person, except a producer in his capacity as a producer, who violates or attempts to violate or who participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or who fails to make any report or keep any record as required by section 379h shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $5,000 for each violation.

"(c) Any person who, in his capacity as a producer, knowingly violates or attempts to violate or participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or fails to make any report or keep any record as required by section 379h shall, (i) forfeit any right to receive marketing certificates, in whole or in part as the Secretary may determine, with respect to the farm or farms and for the marketing year with respect to which any such act or default is committed, or (ii), if such marketing certificates have already been issued, pay to the Secretary, upon demand, the amount of the face value of such certificates, or such part thereof as the Secretary may determine. Such determination by the Secretary with respect to the amount of such marketing certificates to be forfeited or the amount to be paid by such producer shall take into consideration the circumstances relating to the act or default committed and the seriousness of such act or default.

"(d) Any person who falsely makes, issues, alters, forges, or counterfeits any marketing certificate, or with fraudulent intent possesses, transfers, or uses any such falsely made, issued, altered, forged, or counterfeited marketing certificate, shall be deemed guilty of a felony and upon conviction thereof shall be subject to a fine of not more than $10,000 or imprisonment of not more than ten years, or both.

"Regulations

"SEC. 379j. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle including but not limited to regulations governing the acquisition, disposition, or handling of marketing certificates."

SEC. 325. The Agricultural Act of 1949, as amended, is amended as follows:

(1) By inserting after section 106 the following new section:

"SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop—

"(1) price support for wheat accompanied by marketing certificates shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate taking into consideration the factors specified in section 401(b),

"(2) if marketing quotas are in effect for wheat price support for wheat not accompanied by marketing certificates shall be at such level as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains,

"(3) price support shall be made available only to cooperators; and if a commercial wheat-producing area is established for such crop, price support shall be made available only in the commercial wheat-producing area,

"(4) price support for any crop of wheat for which marketing quotas have been disapproved by producers shall be at such level not to exceed 50 per centum of the parity price therefor as the Secretary determines appropriate after consideration of the factors specified in section 401(b),

"(5) the level of price support for any crop of wheat for which a national marketing quota is not proclaimed shall be as provided in section 101, and

"(6) if marketing quotas are in effect for the crop of wheat, a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. If marketing quotas are not in effect for the crop of wheat, a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for feed grains on the farm, or the farm acreage allotment for wheat or feed grains on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335, 360f, or 360k."

(2) By changing the period at the end of the third sentence in section 407 to a colon and adding the following: *"Provided,* That if a commercial wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat accompanied by marketing certificate and wheat sold shall be accompanied by a marketing certificate."

TITLE IV—GENERAL PROVISIONS

SEC. 401. The Consolidated Farmers Home Administration Act of 1961 (75 Stat. 307) is amended as follows:

(1) By striking out the period at the end of section 304 and inserting a comma and the following: "including recreational uses and facilities.";

(2) By inserting in section 306(a) after "soil conservation practices," the following: "shifts in land-use including the development of recreational facilities,"; and by inserting after the word "drainage" the words "or sewer";

(3) By striking out in section 309(f)(1) the figure "$10,000,000" and inserting in lieu thereof the figure "$25,000,000";

(4) By inserting in section 312 after the words "and conservation" the words "including recreational uses and facilities"; and

(5) By adding at the end thereof a new section as follows:

"SEC. 343. As used in this title (1) the term 'farmers' shall be deemed to include persons who are engaged in, or who, with assistance afforded under this title, intend to engage in, fish farming, and (2) the term 'farming' shall be deemed to include fish farming."

SEC. 402. Subsections (a) and (b) of section 3 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 903), be and the same are hereby amended to read as follows:

"SEC. 3. (a) There are authorized to be appropriated, for the purposes of this Act, such sums as the Congress may from time to time determine to be necessary.

"(b) When authorized by Congress, the Administrator is authorized, with the approval of the Secretary of Agriculture, to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds in such amounts as the Congress may approve annually in appropriation Acts for making loans under titles I and II of this Act. Such notes shall be in such form and denominations and be subject to such terms and conditions as may be prescribed by the Administrator with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury not in excess of the rate provided for in sections 4 and 5 of this Act. The Secretary of the Treasury is authorized and directed to purchase any notes of the Administrator issued hereunder, and for that purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Administrator. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

"The appropriations for loans made under the authority of subsection (a) and funds obtained in accordance with the preceding paragraph of this subsection and the unexpended balances of any funds available on the date of enactment of the Food and Agriculture Act of 1962 for loans under this Act, including any funds made available for loans under the item 'Rural Electrification Administration', in the Department of Agriculture Appropriation Acts current on such date of enactment, shall be merged into a single account hereafter in this section called the 'loan account'. All notes, bonds, obligations, and property, including those now held by the Administrator on behalf of the Secretary of the Treasury, and all collections therefrom, made or held under the loan provisions of titles I and II of this Act, shall be assets of said account.

"The notes of the Administrator issued to the Secretary of the Treasury under titles I and II of this Act, and all other liabilities against the appropriations or assets in the loan account shall be liabilities of said account, and all other obligations against such appropriations or assets shall be obligations of said account. Moneys in the loan account shall also be available for interest and principal repayments on notes issued by the Administrator to the Secretary of the Treasury. Otherwise, the balances in said account shall remain available to the Administrator for loans under titles I and II of this Act and for advances in connection therewith, except that no such loans shall be made in any year in excess of the amounts previously authorized therefor in appropriation Acts for such year or available pursuant to subsection (e) of this section. The amounts so authorized for loans and advances shall remain available until expended."

SEC. 403. Subsection (f) of section 3 of the Rural Electrification Act, as amended, is repealed.

SEC. 404. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows: Section 8c(6) is amended by striking the period at the end of (I) thereof and inserting in lieu thereof the following: ": *Provided,* That with respect to orders applicable to cherries such projects may provide for any form of marketing promotion including paid advertising."

SEC. 405. If any provision of this Act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of this Act and the applicability thereof to other persons and circumstances shall not be affected thereby.

SEC. 406. Nothing contained herein shall be construed as authorizing sales of Commodity Credit Corporation-owned commodities, including sales against payment-in-kind certificates, other than in accordance with the provisions of section 407 of the Agricultural Act of 1949, as amended. Congress hereby reconfirms its long-standing policy of favoring the use by governmental agencies of the usual and customary channels, facilities, and arrangements of trade and commerce, and directs the Secretary of Agriculture and the Commodity Credit Corporation to the maximum extent practicable to adopt policies and procedures designed to minimize the acquisition of stocks by the Commodity Credit Corporation, to encourage orderly marketing of farm commodities through private competitive trade channels, both cooperative and noncooperative, and to obtain maximum returns in the marketplace for producers and for the Commodity Credit Corporation.

SEC. 407. It is hereby declared to be the sense of the Congress that the Secretary of Agriculture should, whenever he determines such action will result in more effective or more economical administration of this or any other Act administered by him, utilize the services and facilities of farmer-owned, farmer-managed associations of producers, and accord such associations no less favorable treatment under any such Act than that accorded individual producers or farmers.

TITLE V—INDUSTRIAL USES OF AGRICULTURAL PRODUCTS

Declarations and findings

SEC. 501. The Congress of the United States hereby makes the following declarations and findings concerning the development of new and improved uses for farm products, new crops to replace those now in surplus, and the disposal of surplus commodities owned by the Government:

(a) Farms in the United States have a capacity to produce more farm products than can now be marketed at prices that will return sufficient incomes to farmers to maintain an efficient and progressive agricultural industry;

(b) A prosperous agriculture will contribute immensely to national welfare by efficient production of needed food, feed, and fiber by provision of raw materials for the transportation and processing industries, by purchases of production supplies, and by its contribution to maintenance of a balanced and high-level national economy;

(c) National defense and security interests of the United States require protection of agricultural resources against deterioration and the maintenance of high productive capacity in order to meet possible emergency needs of the United States and other friendly nations;

(d) Basic research in agricultural products and their uses is essential in any long-range program of benefit to agriculture;

(e) Research programs to develop new and improved uses for farm products and new farm products have potentialities for providing outlets for a larger volume of farm production and greater stability of the prices of farm commodities;

(f) Public and private research agencies, including the Departments of Agriculture and Commerce, the land-grant colleges, other universities and research institutions, as well as private firms, can and should be utilized for an all-out attack on development of new and improved uses, and new and extended markets and outlets for farm products and byproducts. Research, pilot plant, development, and trial commercialization work and corollary economic and related studies should be devoted to the expansion of industrial uses for agricultural commodities in surplus, and to any food and feed uses and replacement crops that can make substantial contributions toward the solution of the surplus problem. Facilities should be established as needed to permit adequate experimentation and testing, and production and market development, of promising new uses and new products;

(g) Development of new and improved industrial and other uses of farm products and new farm products and new and extended markets and outlets for farm products and byproducts will enlarge income opportunities for farmers. It also will reduce Government costs for acquisition, storage, and ultimate disposition of commodities now in surplus;

(h) Disposition of a portion of the surplus stocks of the Commodity Credit Corporation through industrial channels for new or byproduct uses, so that the carryover of any commodity beyond the needs of the Nation can be reduced, will have a stabilizing effect on the market prices for farm commodities.

Agricultural research and industrial use administration

SEC. 502. There is created and established in the Department of Agriculture an agency of the United States to be known as the Agricultural Research and Industrial Use Administration, all of the powers of which shall be exercised by an Administrator, under the general direction and supervision of the Secretary of Agriculture, who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of six years and who shall receive basic compensation at the rate of $20,000 per annum. The duties of this agency shall be to coordinate and expedite efforts to develop, through research, new industrial uses, and increased use under existing processes, of agricultural products; to develop new replacement crops; and to reduce the stocks of commodities owned by the Commodity Credit Corporation.

Salaries

SEC. 503. The positions of the three Deputy Administrators of the agency shall be in grade GS–18 of the General Schedule established by the Classification Act of 1949, as amended. Such positions shall be in addition to the number of positions authorized to be placed in such grade by section 505(b) of such Act. The agency is authorized to fix the compensation, notwithstanding other provisions of law, for not more than ten positions which require the services of especially qualified scientific or professional personnel: *Provided*, That the rates of basic compensation for positions established pursuant to this provision shall not exceed the maximum payable under the Act of August 1, 1947 (61 Stat. 715), as amended and supplemented. The agency may appoint and fix the compensation of any technically qualified person, firm, or organization by contract or otherwise on a temporary basis and for a term not to exceed six months in any fiscal year to perform research, technical, or other special services, without regard to the civil service laws or the Classification Act of 1949, as amended.

Powers and duties

SEC. 504. The agency shall have power and authority, within the limits of the funds made available to it, to coordinate and expedite activities toward research, pilot plant, development, trial commercialization, and industrial uses, with Federal and State Governments, educational institutions, private research organizations, trade associations, individuals, and industrial corporations in expanding the industrial utilization of the products of farm and forest and the development of new crops. In the discharge of these duties, the agency is authorized to:

(a) Make use of the facilities of the Department of Agriculture and other Federal departments and agencies, land-grant institutions, and experiment stations. The agency shall utilize existing facilities owned or controlled by the Federal Government to the greatest extent practicable, including pilot plants, regional laboratories, and other facilities and equipment, and is authorized to utilize authority now available to the Secretary of Agriculture under existing law;

(b) Make grants, for periods not to exceed five years duration, to State agricultural experiment stations, colleges, universities, and other research institutions and individuals;

(c) Contract with foreign individuals, organizations, institutions of learning, or private corporations where payment can be made in foreign currency accumulated under Public Law 480, Eighty-third Congress. The agency is hereby authorized to utilize such foreign currencies notwithstanding other provisions of law requiring reimbursement;

(d) Make contracts or cooperative arrangements in the manner provided by sections 10(a) and 205 of the Act of August 14, 1946 (7 U.S.C. 427i, 1624), including contracts and agreements providing for the commercialization, market acceptance, and the economic feasibility of industrial utilization in the competitive market for agricultural products and processes with respect thereto;

(e) Extend suitable incentives to farmers or to industry to hasten the establishment of a new crop or of a new industrial use, where such appear likely to lead to durable additional markets;

(f) Direct the Commodity Credit Corporation to make delivery of any of its stocks of commodities to agencies of the Government, persons, or corporations designated by the agency where such stocks are to be used for (1) research, (2) pilot plant operation, (3) trial commercialization, (4) export of manufactured products, or (5) new or byproduct uses. The Commodity Credit Corporation, with respect to commodities thus requisitioned by the agency, shall pay necessary handling and delivery charges to the destination directed by the agency. Such sums of money as the agency shall receive, of any, on such transfers of commodities, shall be turned over to the Commodity Credit Corporation;

(g) Make contracts or leases for the private operation of any property or facilities transferred from another Government agency pursuant to this title or other legislative authority;

(h) Make loans or grants to those with whom contracts or other arrangements are entered into, for the purpose of providing assistance in the acquisition or expansion of facilities and equipment for research or development activities;

(i) Provide in all contracts for the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract or other arrangement is executed: *Provided, however*, That nothing herein shall be construed to authorize the agency to enter into any contractual or other arrangement inconsistent with any provision of law affecting the issuance or use of patents;

(j) Grant exclusive licenses with or without payment of royalty for a fixed period of not to exceed five years for the use of patents under the control of the Department of Agriculture;

(k) Pay incentive awards to private citizens for suitable and acceptable suggestions to implement the program established by this title, such payments to be made in accordance with previously published rules stating the amounts of, criteria for determining, and subjects of, such awards; and

(l) Test production procedures on a commercial basis, maintain and operate manufacturing facilities where necessary to prove the commercial feasibility of volume production and to build, purchase, or lease plant facilities, or necessary equipment suitable for manufacturing needs.

Transfer of Government plants

SEC. 505. Notwithstanding any other provision of law, any Government agency holding any Government-owned facility useful in the program authorized by this title is authorized to transfer such facility to the agency, for use in the program, if requested to do so by the agency: *Provided*, That such transfer has the approval of the Director of the Bureau of the Budget. The agency is authorized to exercise, with respect to the facilities transferred, all of the authority vested in the agencies transferring such facilities. At the time of such transfer, funds and personnel related to the operation or administrations of such facilities, shall, with the approval of the Director of the Bureau of the Budget, also be transferred to the agency.

Definition of "agricultural products"

SEC. 506. The terms "agricultural products" and "farm and forest products" as used in this title shall have the same meaning as the term "agricultural products" in section 207 of the Act of August 14, 1946 (7 U.S.C. 1626).

Annual report

SEC. 507. The Administrator shall present annually to the Congress not later than the 20th day of January in each year a full report of his activities under this title.

Savings provision

SEC. 508. The authorities under this title are in addition to and not in substitution for authorities otherwise available under existing law.

Appropriations

SEC. 509. There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

Mr. ELLENDER. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. HUMPHREY. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Madam President, I ask unanimous consent that the bill be printed as passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEATING. Madam President, there was some confusion during the debate. I certainly do not want to be unfair to the Secretary of Agriculture. It was stated in the debate that the general counsel of the Agriculture Department had advised a staff member that there was nothing in title I of the bill which would expressly provide either for integrated or segregated facilities.

I immediately sent a telegram to the Secretary of Agriculture expressing my disappointment in that decision. I have just received a telephone call from the general counsel of the Department of Agriculture saying that, while the law is silent, it has been announced to be the policy of the Secretary of Agriculture that no Federal funds will be allotted under title I for any except integrated facilities.

I commend the Secretary of Agriculture for the action he has taken.

Mr. HUMPHREY. Madam President, will the Senator yield?

Mr. KEATING. I yield.

Mr. HUMPHREY. I join in that commendation.

LEAVE OF ABSENCE

Mr. DIRKSEN. Madam President, I ask unanimous consent that the distinguished Senator from Colorado [Mr. ALLOTT] be excused for an indefinite period from attendance on the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

STANDBY AUTHORITY TO ACCELERATE PUBLIC WORKS PROGRAMS

Mr. JAVITS obtained the floor.

Mr. MANSFIELD. Madam President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MANSFIELD. Madam President, I move that the Senate proceed to the consideration of Calendar No. 1321, S. 2965, and that it be laid before the Senate and made the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2965) to provide standby authority to accelerate public works programs of the Federal Government and State and local public bodies.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana to proceed to the consideration of the bill.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Public Works with amendments.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Madam President, following the announcement made prior to the vote on the question of passage of the farm bill, as to the intention of the combined leadership to offer a unanimous-consent agreement, I now send to the desk and ask to have read a proposed unanimous-consent agreement, if my colleague from New York [Mr. JAVITS] and my other colleagues of the Senate will permit me to do so.

Mr. JAVITS. Madam President, I ask unanimous consent that I may yield for that purpose without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered.

The proposed unanimous-consent agreement will be stated for the information of the Senate.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Monday, May 28, 1962, beginning at 10 a.m., the Senate proceed to the consideration of the bill (S. 2965) to provide standby authority to accelerate public works programs of the Federal Government and State and local public bodies; that debate on the substitute amendments intended to be proposed by Mr. CASE of South Dakota (for himself, Mr. COOPER, Mr. PROUTY, Mr. FONG, and Mr. BOGGS), numbered "5–24–62–A," shall then be proceeded with and limited to 2 hours, to be equally divided and controlled by him and the majority leader: *Provided further*, That there shall be 2 hours available on the Prouty substitute, if offered, and debate on the Prouty amendment shall be controlled equally by the mover and the majority leader; and that debate on any other amendment (including any amendment that may be offered to the Case amendments), motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 5 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

Mr. KERR. Madam President, reserving the right to object, how much time would be allocated for consideration of the bill?

Mr. MANSFIELD. Five hours. There would be more time, if needed.

Mr. KERR. More than the 5 hours?

Mr. MANSFIELD. If needed, yes.

Mr. KERR. With that understanding, I do not object.

Mr. SYMINGTON. Madam President, reserving the right to object, is it planned to have a vote on the bill on Monday?

Mr. MANSFIELD. Yes.

Mr. JAVITS. Madam President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. JAVITS. The Senator from Oklahoma [Mr. MONRONEY] and I have a commitment to attend ceremonies at the opening of an air terminal in New York at 11 o'clock on Monday morning. Does the Senator from Montana have any idea whether there will be any votes before 1:30 in the afternoon?

Mr. MANSFIELD. I doubt it. I could not give the Senator an ironclad guarantee, but I doubt it.

Mr. JAVITS. I thank the Senator.

Mr. CAPEHART. Madam President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. CAPEHART. Is it the intention that a motion will be made to eliminate the portion of the bill which would provide for financing through housing funds and other funds?

Mr. MANSFIELD. As I understand the situation, the Senator's statement is correct.

Mr. CAPEHART. That language has been eliminated, and it will be a straight authorization and appropriation bill?

Mr. KERR. Madam President, I say to the distinguished Senator from Indiana that it will be the purpose of the Senator from Oklahoma, in handling the bill, as soon as the request with respect to the unanimous-consent agreement is acted upon, to offer an amendment to the bill, for himself and certain other members of the committee, one part of which would include the elimination of all financing with reference to the projects or programs provided for in the bill, except through regular authorizations and appropriations.

Mr. CAPEHART. I thank the able Senator.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement?

Mr. HRUSKA. Madam President, reserving the right to object—and I shall not object—it is my information that the Senator from South Dakota [Mr. CASE] intends to offer a substitute amendment which would be even a little more restrictive than the proposal to be made by the Senator from Oklahoma.

I further state, Madam President, that for some time I have been casting a baleful eye, as it were, upon the unanimous-consent agreements to limit debate, which we have had before us from time to time—and I think justly so.

There is a good possibility that the vote upon the last measure upon which the Senate voted might have been different in final result had the vote come next Monday or next Tuesday rather than today. I think it should be brought to the attention of the Senate that we should take the requests for limitation of debate a little more seriously than we have, for that reason.

However, under the circumstances and conditions which are contained in the request for a limitation of debate with respect to the public works bill, I shall not interpose objection to this particular request.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement? The Chair hears none; and the proposed unanimous-consent agreement is agreed to.

Mr. HUMPHREY subsequently said: Madam President, since the order for convening on Monday specifies the hour of 10:30, I ask unanimous consent that the unanimous-consent agreement be amended to read 10:30 instead of 10.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Monday, May 28, 1962, beginning at 10:30 a.m., the Senate proceed to the consideration of the bill (S. 2965) to provide standby authority to accelerate public works programs of the Federal Government and State and local public bodies; that debate on the substitute amendments intended to be proposed by Mr. CASE of South Dakota (for himself, Mr. COOPER, Mr. PROUTY, Mr. FONG, and Mr. BOGGS), numbered "5–24–62—A," shall then be proceeded with and limited to 2 hours, to be equally divided and controlled by him and the majority leader; *Provided further*, That there shall be 2 hours available on the Prouty substitute, if offered, and debate on the Prouty amendment shall be controlled equally by the mover and the majority leader; and that debate on any other amendment (including any amendment that may be offered to the Case amendments), motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 5 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage

of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

ORDER FOR RECESS UNTIL 10:30 A.M. ON MONDAY NEXT

Mr. MANSFIELD. Madam President, with the further indulgence of the Senator from New York, I ask unanimous consent that when the Senate concludes its deliberations this evening it stand in recess until 10:30 o'clock a.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION ON MONDAY NEXT

Mr. MANSFIELD. Madam President, I ask unanimous consent that on Monday next, during the session of the Senate, the Committee on Government Operations, the chairman of which is the distinguished Senator from Arkansas [Mr. McCLELLAN], may be allowed to meet.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. DIRKSEN. Madam President, I renew my objection to all other committee meetings on Monday, with the exception of the committee which has been granted consent. If the Senate is to consider the public works bill, in the hope that debate can be encompassed in 1 day, I believe Senators ought to be in the Chamber, so I must publish my objection now to meetings by all other committees on Monday.

Mr. KERR. What committee was granted permission to meet?

Mr. DIRKSEN. The Committee on Government Operations.

ORDER OF BUSINESS

Mr. KERR. Madam President, will the Senator from New York yield for a question?

Mr. JAVITS. I yield to my colleague from Oklahoma.

Mr. KERR. Does the Senator from New York intend to discuss the bill before the Senate, or some other matter, for some time?

Mr. JAVITS. I intend to speak for only a few minutes.

MEDICARE

Mr. JAVITS. Madam President, I have repeatedly maintained that the Congress must act at this session on health care for the aging legislation, and that it is up to the administration to decide whether it wants law or an issue.

I am looking for a law this year, and I am determined to do my best to help to get one. This will require some votes from the Republican side of the aisle and I believe the administration can get Republican help if it is ready to reconcile the views of some who have modifications of the King-Anderson bill. That bill needs to be improved by providing at a minimum freedom of choice, increased flexibility of benefits, extension of coverage to those not under social security and an option to continue in a cooperative or private health care plan.

The view that a "no compromise" stand by the President would postpone congressional action is emphasized by the eminent news commentator Arthur Krock in the New York Times of May 22. I ask unanimous consent to have printed in the RECORD his remarks entitled "Part of the Record of Medicare Misinformation."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PART OF THE RECORD OF MEDICARE MISINFORMATION

(By Arthur Krock)

WASHINGTON, May 21.—In his passionate advocacy of the intact King-Anderson bill for a compulsory system of Government health insurance for citizens over 65 years of age, President Kennedy complained that much of the opposition to this measure was created by misinformation. But to his elderly audience in Madison Square Garden yesterday the President contributed to the misinformation he was attacking.

His audience could not have learned from anything the President told them that sound improvements of the King-Anderson bill have been proposed and effectively presented by American leaders who have demonstrated the same concern as his over the problem involved and already have done constructive things about it. The way Mr. Kennedy presented the issue, only if the administration measure is adopted as it stands can Government even begin to ameliorate the plight of an elderly, self-reliant citizen in this situation:

"He and his wife are drawing, say, $100 a month from social security, and he has a pension from where he worked, the result of years of effort. His basic needs are taken care of. He owns his house. He has $2,500 or $3,000 in the bank. Then his wife gets sick for a long time, exhausting his savings, and perhaps those of his children as well."

The President did not exaggerate this situation, or its widespread incidence. But he did not mention the following closely connected factors:

1. The administration bill makes no provision for several millions of the 18 millions of citizens currently over 65—a mounting statistic.

2. The measure will raise from $4,800 to $5,200 the social security tax base of the children of Mr. Kennedy's typical elderly citizen who already are "too heavily burdened" to help him meet the financial burdens imposed by their mother's protracted illness.

3. The levy on these younger generations is compulsory, without regard to the facts that (A) many of its enforced beneficiaries (made so by the elimination of the "means test") are not in need of this Government subsidy; (B) that under the existing Kerr-Mills law several million persons over 65 already get medical care from Federal programs; and (C) that excellent private insurance systems to meet the general problem are rapidly growing in number.

4. Several States, notably New York, have instituted improved and State-financed medical health services for the elderly.

5. Governor Rockefeller has made constructive proposals for essential amendments of the King-Anderson legislation, and these have been generally embodied in pending substitutes offered by Senator JAVITS, of New York, and Representative LINDSAY, of New York City.

NEW YORK REPUBLICANS' PLAN

The heart of these amendments is that, though they accept the administration's fundamental of compulsory financing of medicare through the social security system, they leave beneficiaries the option to receive cash benefits which may be used in private health insurance systems. Also, the changes would protect social security reserves from further drafts by Government for other purposes by providing that (in Rockefeller's words) "a separate health insurance trust fund be established to account for the taxes received and the benefits paid [so that] the health insurance program can be made to stand on its own feet."

Governor Rockefeller, Senator Javits and Representative Lindsay are not the only persons convinced (many Democratic politicians also are) that the good medicare bill could be legislated this year if the administration would accept improvements. The "no compromise" stand of the President, and the same attitude of the American Medical Association, create an impasse which may present Mr. Kennedy with the winning political issue he appears to foresee. But almost certainly it will postpone legislative action.

Meanwhile, it can be noted that when, with an election coming on, Mr. Kennedy feels sure that the mass voting assets of a proposal far outweigh the liabilities, any faltering previously noted in his "leadership" vanishes entirely. This brings to mind what Mark Twain or somebody else once said of a newspaper: "It is fearless in its attacks, but these are only against sin, disease, and cruelty to the maneating sharks."

APPROVAL OF MODEL PENAL CODE BY THE AMERICAN LAW INSTITUTE

Mr. JAVITS. Madam President, I invite the attention of Senators to the distinguished work of the American Law Institute, which met in Washington this week, an admirable example of a voluntary association of citizens working to improve a critically important aspect of our national life. The institute, composed of the countries most respected judges, legal scholars, and practitioners, devotes itself to rationalizing and modernizing the law. It has finally adopted a uniform code of criminal justice for the United States, based upon the work of two law professors, one of New York, I am proud to say, Herbert Wechsler of Columbia University, and Louis B. Schwartz of the University of Pennsylvania. While we labor in the world to affirm and strengthen the virtues of free institutions, we make those free institutions meaningful by the wisdom with which we administer our own affairs at home.

This particular code is an extremely important contribution to jurisprudence in our Nation. I call it very markedly to the attention of Senators. I ask unanimous consent that a pertinent newspaper story and editorial upon that activity of the American Law Institute may be printed in the RECORD at this point.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the New York Times, May 25, 1962]

MODEL PENAL CODE IS APPROVED BY THE AMERICAN LAW INSTITUTE

(By Anthony Lewis)

WASHINGTON, May 24.—The American Law Institute gave final approval today to a

model penal code that has been under preparation for 10 years.

The code is regarded by many authorities as one of the most important recent projects in legal scholarship. Even before its completion it had begun to influence the criminal law of the States and the Federal Government.

The code is intended to take a fresh look at all of criminal law—its philosophical underpinnings, its definitions of crimes, its provisions for sentencing and correction of offenders.

The principal work on the code was done by two law professors, Herbert Wechsler, of Columbia University, and Louis B. Schwartz, of the University of Pennsylvania. They received a standing ovation from institute members after the final vote on the code this afternoon.

The law institute is an association of the country's most distinguished judges, law professors, and practitioners. It works to codify and modernize the law. It has completed such other projects as a uniform commercial code that has been adopted by many States, including New York.

Under the institute's procedure, sections of a work such as the model penal code are prepared by the principal draftsmen, then debated in various committees and before the full membership at the annual meeting here in Washington. Then further drafts are written and rewritten until the language is finally approved.

The late Judge Learned Hand was one of the many eminent figures who took part, under this procedure, in the shaping of the penal code.

One of his arguments was that the criminal law should not punish any kind of sexual relations, normal or abnormal, between consenting adults in private. The institute adopted his view, and it is reflected in the code approved today.

More important probably than any single provision of the new code is its overall approach. It tries to bring a unified approach to criminal law, which has grown up in the United States by scattered and often inconsistent laws over the years.

SENTENCING PLAN REVISED

Thus, for example, maximum sentences for various felonies in New York are 2 years, 3, 4, 5, 7, 10, 15, 20, 25, 30, 40, and life—with no particular logic in the distinctions. The model code substitutes three degrees of felony for sentencing purposes.

Before defining specific crimes the code devotes more than 100 pages to such general questions as when former conviction should bar a new prosecution for the same offense, when it is permissible to use force in defense of person or property, and when a man is mentally responsible for commission of a crime.

The code's definition of what the layman calls legal insanity has won widespread approval. It says a person is not responsible for a crime if, as a result of mental disease or defect, he lacks substantial capacity to appreciate the criminality of his conduct or conform it to the law.

In addition to suggesting its own solutions to many controversial problems of criminal law, the code gives detailed reasons for its views and considers the advantages and disadvantages of other solutions.

WOULD HELP STATE'S STUDIES

The idea here—and one of the main purposes of the code—is to provide ideas and material for the reexamination of criminal law now going on in many States. New York, for one, has a commission to revise the State's entire criminal law.

In undertaking the large project of the code 10 years ago, the institute believed that most lawyers paid too little attention to criminal law, an important facet of a society. The code is an effort to meet the profession's responsibility.

The code's general thrust is to try to be more civilized and organized about invoking the State against the individual.

The definitions of particular crimes tend, therefore, to be more carefully drawn. Disorderly conduct, for example, which now can constitute almost anything the police dislike, is narrowly defined.

The code takes no position on the great question of capital punishment. But it does suggest a new procedure for imposing sentence in the States that retain the death penalty.

The jury, when there is one, would first bring in a verdict as to guilt and then, in a separate proceeding, decide whether there should be a death sentence. Unless the jury unanimously agreed that there should be, the judge could not impose the death penalty.

[From the New York Times, May 25, 1962]

MODERNIZING THE LAW

The American Law Institute, now meeting in Washington, is an admirable example of the voluntary association of citizens who work without financial reward to improve some aspect of national or local life.

The law institute, composed of the country's most respected judges, legal scholars, and practitioners, devotes itself to rationalizing and modernizing the law. Since its creation in 1923, it has drafted complete restatements of the law in such areas as torts and contracts and written a uniform commercial code that has been adopted by many States, including New York.

In the current meeting the institute is completing work on two of its most difficult and significant projects—a model penal code and a restatement of the foreign relations law of the United States. The penal code has been 10 years in the making and has already thrown new light on the philosophical and psychological bases of criminal law. The sections on insanity and obscenity, among others, have already had an impact in many courts. The American Law Institute is giving dedicated and enlightened service to the law and to the country.

DELIVERY OF WATER TO LANDS IN THIRD DIVISION, RIVERTON FEDERAL RECLAMATION PROJECT, WYOMING

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the joint resolution (S.J. Res. 151) permitting the Secretary of the Interior to continue to deliver water to lands in the Third Division, Riverton Federal reclamation project, Wyoming, which was, on page 1, lines 6 and 7, strike out "years 1962 and 1963," and insert "year 1962,".

Mr. HUMPHREY. Madam President, the amendment has been cleared by both the majority leader and the minority leader. I move that the amendment be agreed to.

The amendment was agreed to.

STANDBY AUTHORITY TO ACCELERATE PUBLIC WORKS PROGRAMS

The Senate resumed consideration of the bill (S. 2965) to provide standby authority to accelerate public works programs of the Federal Government and State and local public bodies.

Mr. KERR. Madam President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as amended be considered as original text for the purpose of additional amendments.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, line 8, after the word "projects", to strike out "during such intervals"; in line 19, after the word "such", to strike out "periods" and insert "period"; on page 3, after line 8, to insert:

"In addition, the Congress finds that (A) certain communities and areas of the Nation are presently burdened by substantial unemployment and underemployment and have failed to share fully in the economic gains of the recovery from the recession of 1960–1961 and (B) action by the Federal Government is necessary, both to provide immediate useful work for the unemployed and underemployed in these communities and to help these communities, through improvement of their facilities, to become better places in which to live and work. It is the intent and purpose of the Congress to provide for an immediate program of assistance for capital improvements in those areas."

At the beginning of line 21, in the heading, to insert "STANDBY", and in the same line, after the word "ACCELERATION", to strike out "PERIODS" and insert "AUTHORITY"; in line 23, after "SEC. 3.", to strike out "(a)", and in the same line, after the word "proclaim", to insert "a"; in line 24, after the word "acceleration", to strike out "periods" and insert "period"; in line 25, after the word "such", to strike out "periods" and insert "period"; on page 4, line 1, after the word "Act.", to strike out "A" and insert "Such"; after line 2, to strike out:

"(1) within sixty days after the date when data compiled and published by the Department of Labor reveal that the national unemployment rate adjusted for seasonal variations and stated to the nearest one-tenth of 1 per centum of the civilian labor force, (i) has risen in three of the four, or in four of the six, most recent consecutive months for which such data are available, and (ii) has risen by not less than 1.0 percentage point measured from the month immediately preceding such four-or six-month period to the last month of the period, and".

And, in lieu thereof, to insert:

"(1) within sixty days after the date when data compiled and published by the Department of Labor reveal that the national unemployment rate adjusted for seasonal variations and stated to the nearest one-tenth of a percent of the civilian labor force has risen by 1.0 percentage point over a period of nine months or less, but not less than three months; and".

On page 5, at the beginning of line 1, to strike out "A" and insert "Such"; in line 5, after the word "exists.", to strike out "Any" and insert "Such"; at the beginning of line 7, to strike out "twelve" and insert "twenty-seven", and in the same line, after the word "unless", to strike out "extended by joint resolution of the Congress" and insert "terminated earlier as provided in the preceding sentence"; in line 10, after the word "section", to strike out "9" and insert "10"; after line 11, to strike out:

"(b) No new public works acceleration period shall be proclaimed within the six-month period immediately following the date of termination of a prior public works acceleration period."

In line 18, after the word "of", to strike out "a" and insert "the"; on page 6, line 1, after the word "section", to strike out "9"

and insert "10"; in line 5, after the word "section", to strike out "9" and insert "10"; in line 7, after the word "of", to strike out "a" and insert "the"; in line 11, after the word "prescribe,", to strike out "to States, municipalities, local public bodies, and nonprofit organizations,"; in line 14, after the word "grants", to strike out "to such bodies and organizations"; in line 23, after the word "program", to insert "in the case of those projects or programs which qualify under standards established by the President applying uniformly to all similar areas,"; on page 7, line 4, after the word "program.", to insert "For the purpose of this section the term 'grant' shall be deemed to include a loan under part H of title VI of the Public Health Service Act."; in line 9, after the word "section", to strike out "9" and insert "10"; in line 13, after the word "section", to strike out "9(b)" and insert "10(b)"; in line 16, after the word "of", to strike out "a" and insert "the"; on page 8, at the beginning of line 2, to strike out "9" and insert "10"; in line 5, after the word "section", to strike out "9" and insert "10"; in line 11, after the word "of", to strike out "a" and insert "the"; in line 17, after the word "bodies,", to strike out "and nonprofit organizations" and insert "and any private or public nonprofit organization or association representing any redevelopment area, as defined in the Area Redevelopment Act"; on page 9, line 18, after the word "section", to strike out "9" and insert "10"; in line 22, after the word "section", to strike out "9" and insert "10"; on page 10, after line 7, to insert:

"IMMEDIATE AID TO AREAS OF SUBSTANTIAL UNEMPLOYMENT

"SEC. 8. (a) In areas currently designated by the Secretary of Labor as having been areas of substantial unemployment in each of at least nine of the twelve immediately preceding months, and in areas currently designated as 'redevelopment areas' pursuant to the Area Redevelopment Act, projects or programs otherwise authorized to be assisted under sections 4, 5, 6, and 7 of this Act may be assisted thereunder, with funds made available under this section, without regard to the provisions in those sections and section 3 requiring the proclamation and existence of the public works acceleration period and without regard to any limitation on the aggregate amount of funds which may be prescribed by the President for the purposes of any such section. For the purposes of this section there is hereby authorized to be appropriated the sum of $600,000,000 which may be allocated by the President among sections 4, 5, 6, and 7 of this Act.

"(b) The President shall prescribe rules, regulations, and procedures which will assure that adequate consideration is given to the relative needs of the areas eligible for assistance. In prescribing such rules, regulations, and procedures, the President shall consider among other relevant factors: (1) the severity of the rates of unemployment in eligible areas and the duration of such unemployment, and (2) the income levels of families and the extent of underemployment in eligible areas.

"(c) In the case of those projects or programs which qualify under standards established by the President applying uniformity to all similar areas, if the President determines that an area suffering unusual economic distress (because of a sustained extremely severe rate of unemployment or an extremely low level of family income and severe underemployment) does not have economic and financial capacity to assume all of the additional financial obligations required, a grant otherwise authorized pursuant to sections 5 and 6 for a project or program in such area may be made without regard to any provision of law limiting the amount of such grant to a fixed portion of the cost of the project or program, but the recipient of the grant shall be required to bear such portion of such cost as it is able to and in any event at least 10 per centum thereof."

On page 12, at the beginning of line 5, to change the section number from "8" to "9"; at the beginning of line 14, to strike out "twelve" and insert "eighteen", and in the same line, after the word "initiative", to insert a comma and "but not later than the termination of the public works acceleration period, or in the case of projects under section 8, not later than twenty-seven months after the date of enactment of this Act"; after line 23, to strike out:

"(b) not more than 12½ per centum of the funds provided for in the form of grants pursuant to sections 5 and 6 of this Act shall be made available within any one State."

And, in lieu thereof, to insert:

"(b) in the choice of projects and programs, preference shall be given to areas within States in which unemployment is above the national average or in which family income is below the national average, but assistance shall not be limited in such areas, and not more than 12½ per centum of the aggregate funds provided for projects and programs pursuant to sections 4, 5, 6, and 7 of this Act shall be made available within any one State."

On page 13, at the beginning of line 22, to change the section number from "9" to "10"; on page 14, line 2, after the word "of", to strike out "any" and insert "the"; in line 4, after the word "of", to strike out "appropriations, contract authorizations, revolving funds, and other authorizations to expend from public or corporate debt receipts available to the departments and agencies of the executive branch to be transferred to the appropriate accounts of such other departments and agencies" and insert "authorizations to expend from public debt receipts available for the Housing and Home Finance Agency, for loans to the Federal Savings and Loan Insurance Corporation, for loans to the Federal Deposit Insurance Corporation, for the purchase of obligations issued by the Federal Home Loan Banks, and for payment of the subscription of the United States to the International Bank for Reconstruction and Development, which are estimated to be in excess of the amount needed in the current fiscal year for obligation or expenditure for the purposes for which they were made available (but not the balances of trust funds), to be transferred to the appropriate accounts of any such agency or other department or agency"; on page 15, line 4, after the word "during", to strike out "any capital improvement" and insert "such public works acceleration"; at the beginning of line 16, to change the section number from "10" to "11"; at the beginning of line 22, to change the section number from "11" to "12"; on page 16, at the beginning of line 18, to change the section number from "12" to "13"; on page 17, line 3, after the word "terminate", to strike out "a" and insert "the"; at the beginning of line 5, to change the section number from "13" to "14", and in line 11, after the word "municipalities,", to strike out "or" and insert "counties, or other"; so as to make the bill read:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the 'Standby Public Works Act of 1962'.

"FINDINGS AND PURPOSE

"SEC. 2. The continuing policy and responsibility of the Federal Government is to use all practicable means, consistent with other essential considerations of national policy, to promote maximum employment, production, and purchasing power. The Congress finds that there have been periodic intervals when severe unemployment and loss of production and purchasing power have occurred and that repetition of these periods of severe unemployment and loss of production and purchasing power can be avoided, or their impact lessened, by prompt remedial action by the Federal Government as authorized in this Act. The Congress also finds that virtually every community in the Nation has a backlog of needed public works projects, and that an acceleration of these projects will not only increase employment and expenditures at a time when such action is most urgently required, but will also meet longstanding public needs, improve community services, and enhance the health and welfare of the citizens of the Nation.

"It is the purpose of this Act to provide standby authority which will enable the President to take quick and effective action to stimulate the economy by inaugurating a program of needed public works when unemployment indicators and other economic data clearly reveal that extraordinary action is needed to assure achievement of the objectives stated above, and to provide the President in such period with authority (1) to immediately increase expenditures for direct Federal programs of public works previously authorized by law, and (2) to furnish an incentive to State and local governmental bodies to accelerate their public works programs through the initiation of projects which can be begun promptly and completed over a reasonably short period of time. It is the further intent and purpose of the Congress that departments and agencies of the Federal Government shall make advance plans for public works projects that will enable them to act promptly when the President initiates the program authorized by this Act, and that the Federal Government shall assist and encourage the States and local governmental bodies, under the provisions of existing law, to make advance plans for public works projects.

"In addition, the Congress finds that (A) certain communities and areas of the Nation are presently burdened by substantial unemployment and underemployment and have failed to share fully in the economic gains of recovery from the recession of 1960–61 and (B) action by the Federal Government is necessary, both to provide immediate useful work for the unemployed and underemployed in these communities and to help these communities, through improvement of their facilities, to become better places in which to live and work. It is the intent and purpose of the Congress to provide for an immediate program of assistance for capital improvements in those areas.

"STANDBY PUBLIC WORKS ACCELERATION AUTHORITY

"SEC. 3. The President is authorized to proclaim a public works acceleration period and exercise during such period the powers conferred upon him by this Act. Such public works acceleration period may be proclaimed—

"(1) within sixty days after the date when data compiled and published by the Department of Labor reveal that the national unemployment rate adjusted for seasonal variations and stated to the nearest one-tenth of a percent of the civilian labor force has risen by 1.0 percentage point over a period of nine months or less, but not less than three months; and

"(2) after the President has determined that existing employment and unemployment indicators and other available economic data clearly reveal that extraordinary action is needed to assure achievement of the objectives of this Act.

Such public works acceleration period shall begin on the day specified in the President's proclamation hereunder and shall terminate whenever the President finds and declares that the need for the program authorized by this Act no longer exists. Such public works acceleration period proclaimed by the Presi-

dent shall automatically terminate twenty-seven months after initiated unless terminated earlier as provided in the preceding sentence. No funds provided under section 10(b) shall be obligated after termination of such public works acceleration period.

"ACCELERATION OF FEDERAL PROJECTS

"SEC. 4. In addition to the authority otherwise available to him, the President, during the existence of the public works acceleration period, may for the purpose of this Act, direct the departments and agencies of the executive branch, under such rules and regulations as he may prescribe, to accelerate existing Federal public works projects and programs or to initiate new projects and programs already authorized by law. Any such department or agency may use for such projects and programs funds made available pursuant to section 10 of this Act, in amounts prescribed from time to time by the President: *Provided*, That the aggregate of all funds prescribed by the President for the purposes of this section shall not exceed the applicable limitation in section 10(b).

"ACCELERATION OF EXISTING FEDERAL GRANT PROGRAMS

"SEC. 5. During the existence of the public works acceleration period, the President may direct the departments and agencies of the executive branch to make grants, upon application and under such rules and regulations as they may prescribe to finance the initiation or acceleration of public works projects and programs for which Federal grants are authorized by the Congress and under the terms and conditions prescribed by the Congress: *Provided*, That no grant under this section shall be subject to any limitation in other laws with respect to the apportionment of funds, the time in which grants may be made, or the aggregate dollar amounts of grants for any prescribed purpose, project, or program: *And provided further*, That notwithstanding any limitation in other laws requiring a grant to be less than 50 per centum of the cost of undertaking or completing a project or program, in the case of those projects or programs which qualify under standards established by the President applying uniformly to all similar areas, grants may be made under the authority of this section which bring the total of Federal grants available for such projects or programs up to 50 per centum of the cost of undertaking or completing such project or program. For the purpose of this section the term "grant" shall be deemed to include a loan under part H of title VI of the Public Health Service Act. Any department or agency may use for projects and programs authorized under this section funds made available pursuant to section 10 of this Act, in amounts prescribed from time to time by the President: *Provided*, That the aggregate of all funds prescribed by the President for the purpose of this section shall not exceed the applicable limitation in section 10(b).

"GRANTS FOR PUBLIC WORKS PROJECTS NOT ELIGIBLE UNDER EXISTING PROGRAMS

"SEC. 6. (a) During the existence of the public works acceleration period, the Housing and Home Finance Administrator, or such agency or officer of the Federal Government as he may designate, is authorized, upon application and under such rules and regulations as he shall prescribe, to make grants to States, municipalities, and local public bodies to finance the initiation or acceleration of public works projects and programs which are not eligible for grants under other Acts of Congress.

"(b) The Administrator may use for grants authorized under this section funds made available pursuant to section 10 of this Act, in amounts prescribed from time to time by the President: *Provided*, That the aggregate of all funds prescribed by the President for the purposes of this section shall not exceed the applicable limitation in section 10(b).

"(c) The amount of any grant made under the authority of this section shall not exceed 50 per centum of the cost of undertaking and completing the project or program for which the grant is made.

"FEDERAL LOANS

"SEC. 7. (a) During the existence of the public works acceleration period, the Housing and Home Finance Administrator, or such agency or officer of the Federal Government as he may designate, is authorized, upon application and under such rules and regulations as he shall prescribe, to purchase the securities and obligations of, or make loans to, States, municipalities, local public bodies, and any private or public nonprofit organization or association representing any redevelopment area, as defined in the Area Redevelopment Act, which otherwise would be unable to meet their share of the cost of projects and programs for which grants have been authorized pursuant to sections 5 and 6 of this Act.

"(b) All securities and obligations purchased and all loans made under this section shall be of such sound value or so secured as reasonably to assure retirement or repayment, and such loans may be made either directly or in cooperation with banks or other financial institutions through agreements to participate or by the purchase of participations or otherwise.

"(c) No securities or obligations shall be purchased and no loans shall be made including renewals or extensions thereof which have maturity dates in excess of forty years.

"(d) Financial assistance extended under this section shall bear interest at a rate determined by the Administrator which shall be not more than the higher of (A) 3 per centum per annum, or (B) the total of one-half of 1 per centum per annum added to the rate of interest required to be paid on funds obtained for the purposes of this section as determined by the Secretary of the Treasury as provided under subsection (e) of this section.

"(e) The Administrator may use for loans authorized under this section funds made available pursuant to section 10 of this Act, in amounts prescribed from time to time by the President: *Provided*, That the aggregate of all funds prescribed by the President for the purposes of this section shall not exceed the applicable limitation in section 10(b): *And provided further*, That funds obtained by the Administrator for the purposes of this section shall bear interest at a rate determined by the Secretary of the Treasury which shall be not more than the higher of (1) 2½ per centum per annum, or (2) the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the preceding fiscal year and adjusted to the nearest one-eighth of 1 per centum.

"IMMEDIATE AID TO AREAS OF SUBSTANTIAL UNEMPLOYMENT

"SEC. 8. (a) In areas currently designated by the Secretary of Labor as having been areas of substantial unemployment in each of at least nine of the twelve immediately preceding months, and in areas currently designated as 'redevelopment areas' pursuant to the Area Redevelopment Act, projects or programs otherwise authorized to be assisted under sections 4, 5, 6, and 7 of this Act may be assisted thereunder, with funds made available under this section, without regard to the provisions in those sections and section 3 requiring the proclamation and existence of the public works acceleration period and without regard to any limitation on the aggregate amount of funds which may be prescribed by the President for the purposes of any such section. For the purposes of this section there is hereby authorized to be appropriated the sum of $600,000,000 which may be allocated by the President among sections 4, 5, 6, and 7 of this Act.

"(b) The President shall prescribe rules, regulations, and procedures which will assure that adequate consideration is given to the relative needs of the areas eligible for assistance. In prescribing such rules, regulations, and procedures, the President shall consider among other relevant factors: (1) the severity of the rates of unemployment in eligible areas and the duration of such unemployment, and (2) the income levels of families and the extent of underemployment in eligible areas.

"(c) In the case of those projects or programs which qualify under standards established by the President applying uniformly to all similar areas, if the President determines that an area suffering unusual economic distress (because of a sustained extremely severe rate of unemployment or an extremely low level of family income and severe underemployment) does not have economic and financial capacity to assume all of the additional financial obligations required, a grant otherwise authorized pursuant to sections 5 and 6 for a project or program in such area may be made without regard to any provision of law limiting the amount of such grant to a fixed portion of the cost of the project or program, but the recipient of the grant shall be required to bear such portion of such cost as it is able to and in any event at least 10 per centum thereof.

"RESTRICTIONS AND LIMITATIONS

"SEC. 9. The authority conferred by this Act shall be subject to the following restrictions and limitations:

"(a) No financial assistance shall be made with respect to any project or program unless the project or segment of work, to be assisted under this Act—

"(1) can be initiated or accelerated within a reasonably short period of time;

"(2) will meet an essential public need;

"(3) if initiated hereunder, can be completed within eighteen months after initiation, but not later than the termination of the public works acceleration period, or in the case of projects under section 8, not later than twenty-seven months after the date of enactment of this Act;

"(4) will contribute significantly to the reduction of unemployment; and

"(5) is not inconsistent with locally approved comprehensive plans for the jurisdictions affected, wherever such plans exist.

"(b) In the choice of projects and programs, preference shall be given to areas within States in which unemployment is above the national average or in which family income is below the national average, but assistance shall not be limited to such areas, and not more than 12½ per centum of the aggregate funds provided for projects and programs pursuant to sections 4, 5, 6, and 7 of this Act shall be made available within any one State.

"(c) Each department or agency administering financial assistance authorized by this Act shall adopt such rules, regulations, and procedures as will assure that no such assistance shall be made available to any State, municipality, local public body, or nonprofit organization unless such project or program for which the assistance is granted produces a net increase in the expenditures of the State, municipality, local public body or nonprofit organization for public works projects approximately equal to the non-Federal contribution to the project or program.

"APPROPRIATIONS AND INTERIM FINANCING

"SEC. 10. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

"(b) In order to expedite financing activities under this Act, the President may, during the existence of the public works acceleration period, cause the unobligated balances of authorizations to expend from public debt receipts available for the Housing and Home Finance Agency for loans to the Federal Savings and Loan Insurance Corporation, for loans to the Federal Deposit Insurance Corporation, for the purchase of obligations issued by the Federal Home Loan Banks, and for payment of the subscription of the United States to the International Bank for Reconstruction and Development, which are estimated to be in excess of the amount needed in the current fiscal year for obligation or expenditure for the purposes for which they were made available (but not the balances of trust funds), to be transferred to the appropriate accounts of any such agency or other department or agency in such amounts and at such times as he may deem appropriate and, notwithstanding the provisions of any other law, such transferred balances may be used for the purposes of this Act: *Provided*, That there are hereby authorized to be appropriated such amounts as may be required to restore such transferred balances not otherwise restored to the sources of funds from which they were derived: *And provided further*, That the aggregate amount of such unobligated balances transferred during such public works acceleration period shall not exceed (i) $750,000,000 for the purpose of financing projects authorized to be assisted under section 4 of this Act, (ii) $750,000,000 for the purpose of financing projects authorized to be assisted under section 5 and 6 of this Act, as allocated between said sections by the President, (iii) $250,000,000 for the purpose of financing projects authorized to be assisted under section 7 of this Act, and (iv) $250,000,000 to supplement funds available for sections 4, 5, 6, and 7 of this Act, as allocated among said sections by the President.

"ADVANCES FOR PUBLIC WORKS PLANNING

"SEC. 11. Section 702 of the Housing Act of 1954 is amended by striking out in subsection (e) 'July 1, 1961;' and the remainder of the subsection, and inserting in lieu thereof, 'July 1, 1961; and such additional sums which may be made available from year to year thereafter.'

"LABOR STANDARDS

"SEC. 12. All laborers and mechanics employed by contractors or subcontractors on projects and programs assisted under section 6 of this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5), and every such employee shall receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in any workweek in excess of eight hours in any workday or forty hours in the workweek, as the case may be. No such project or program shall be approved without first obtaining adequate assurance that these labor standards will be maintained upon the construction work. The Secretary of Labor shall have, with respect to the labor standards specified in this provision, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z–15), and section 3 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276c).

"DELEGATION OF POWERS

"SEC. 13. The President may exercise any functions conferred upon him by this Act through such agency or officer of the United States Government as he shall specify. The head of any such agency or such officer may from time to time promulgate such rules and regulations as may be necessary to carry out such functions, and may delegate authority to perform any such functions, including, if he shall so specify, the authority successively to redelegate any of such functions. Nothing contained in this section shall authorize the President to delegate the power to proclaim or terminate the public works acceleration period.

"DEFINITIONS

"SEC. 14. As used in this Act—

"(a) The term 'State' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

"(b) The term 'local public body' includes public corporate bodies or political subdivisions; public agencies or instrumentalities of one or more States, municipalities, counties, or other political subdivisions of States; Indian tribes, and boards or commissions established under the laws of any State to finance specific public works projects.

"(c) The term 'public works' includes the construction, repair, and improvement of: public streets, sidewalks, highways, parkways, bridges, parking lots, airports, and other public transportation facilities; public parks and other public recreational facilities; public hospitals, rehabilitation and health centers, and other public health facilities; public refuse and garbage disposal facilities, water, sewage, sanitary facilities, and other public utility facilities; civil defense facilities; public police and fire protection facilities; public educational facilities, libraries, museums, offices, laboratories, employee housing, and other public buildings; and public land, water, timber, fish and wildlife, and other conservation facilities and measures.

"(d) The term 'project' includes a separable, usable feature of a larger project or development.

"(e) The term 'segment of work' means a part of a program on which the work performed can be separately identified by location and will provide usable benefits or services."

Mr. KERR. Madam President, for myself and other Senators I call up our amendments to the bill, and ask unanimous consent that they be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

On page 3, line 23, after "authorized" insert "after June 30, 1963,".

On page 4, line 20, strike out "and", and between lines 20 and 21 insert the following:

"(2) if on such date, according to such data, the total number of unemployed amounts to at least 5 per centum of the total number in the civilian labor force, with adjustments for seasonal variations; and".

On page 4, line 21, strike out "(2)" and insert in lieu thereof "(3)".

On page 5, line 10, strike out "(b)".

On page 6, line 2, beginning with the colon, strike out all to the period in line 5.

On page 6, beginning with line 24, strike out all through "projects or programs" in line 3 on page 7, and insert in lieu thereof the following: "of any project or program of a State or local public body which qualifies under standards established by the President to apply uniformly to all similar areas, grants may be made to such State or local public body under the authority of this section which bring the total of Federal grants available for such project or program".

On page 7, line 10, beginning with the colon, strike out all to the period in line 13.

On page 8, line 3, beginning with the colon, strike out all to the period in line 5.

On page 9, line 20, beginning with "That" strike out all through "*And provided further,*" in line 23.

On page 10, line 20, beginning with "and without regard" strike out all to the period in line 22.

On page 10, line 23, beginning with "the sum" strike out all through the period in line 2 on page 11 and insert in lieu thereof a comma and the following: "to remain available until expended, the sum of $750,000,000 which may be allocated by the President among sections 4, 5, 6, and 7 of this Act, except that at least 10 per centum of any amount appropriated for the purposes of this section shall be used for such purposes with respect to projects and programs in redevelopment areas designated as such under the provisions of section 5(b) of the Area Redevelopment Act."

On page 11, line 12, after "programs" insert "of States or local public bodies".

On page 11, line 21, after "may be made" insert "to a State or local public body".

On page 13, beginning with line 21, strike out all through line 14 on page 15 and insert in lieu thereof the following:

"APPROPRIATIONS AUTHORIZED

"SEC. 10. (a) There is authorized to be appropriated for expenditure after June 30, 1963, to remain available until expended, the sum of $750,000,000 to carry out the provisions, other than section 8, of this Act.

"(b) In carrying out such provisions at least 10 per centum of any amount appropriated pursuant to subsection (a) shall be used with respect to projects and programs in redevelopment areas designated as such under the provisions of section 5(b) of the Area Redevelopment Act."

On page 17, line 19, after "public" insert "and nonprofit".

Mr. KERR. Madam President, with reference to the amendments which have just been offered and printed in the RECORD, I should like to have printed in the RECORD at this point an explanation of the changes which the amendment would make in S. 2965 and a statement with reference to what the provisions of the bill would be as amended.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CHANGES WHICH THE PROPOSED AMENDMENT WOULD MAKE IN S. 2965, AS REPORTED

The first change would provide that the standby program would not be triggered until after June 30, 1963, whereas the bill, as reported, is silent with respect to the time when triggering could occur.

The second change would provide for the triggering of the standby program when the adjusted unemployment rate has risen by 1 percent over a period of 9 months or less, but not less than 3 months, if the total unemployment is at least 5 percent. The bill as reported had no base percentage from which to determine the basis for triggering, but left it open.

The third change increases the sum to be authorized for appropriation in fiscal year 1963 for the immediate program from $600 to $750 million. It also provides that at least 10 percent of any amount appropriated shall be used in redevelopment areas as designated under section 5(b) of the Area Redevelopment Act. The $750 million authorization would become effective immediately upon enactment of the bill.

The fourth change would authorize for appropriations for the standby program, triggered as above set forth, $750 million. All authority to spend from unobligated balances is eliminated. Utilization of borrowing authority is eliminated. It also provides that at least 10 percent of any amount appropriated shall be used on projects and programs in redevelopment areas designated under the provisions of section 5(b) of the Area Redevelopment Act. Section 5(b) gen-

erally relates to those situations where there are low income families in the rural areas, lack of employment opportunities in those areas, etc.

The bill still provides for a limitation of 12½ percent in allowable expenditures in any State, and also continues the requirements that projects must be completed within 27 months after the initiation of both the immediate and standby programs.

STATEMENT BY SENATOR KERR ON S. 2965

Senate bill 2965, if amended by the proposed amendments, would be made up of two parts, the first being an authorization for an immediate program of public works, the second being a standby program of public works which would not be triggered until after June 30, 1963.

I. The immediate program would be essentially as follows:

1. There would be authorized for appropriation $750 million, with at least 10 percent being used in rural areas of low-income families and where there is lack of employment opportunities.

2. Areas eligible would be as follows:

(a) Those areas which have had substantial unemployment for at least 9 of the 12 preceding months;

(b) Those areas designated as "redevelopment areas" under the Area Redevelopment Act;

(c) Recent studies indicate that there are 146 areas designated as redevelopment areas under section 5(a) of the Area Redevelopment Act and 778 areas (including 50 Indian reservation areas) designated as redevelopment areas under section 5(b) of the same act. There are 105 other areas not now designated as redevelopment areas which have been designated by the Secretary of Labor as areas of substantial unemployment in each of the last 12 months, and 27 other areas which have been areas of substantial unemployment in 9, 10, or 11 of the last 12 months.

3. There would be authorized an acceleration of Federal projects, Federal grant programs, grants for public works not now eligible under existing programs, such as State, county, and city buildings, waterworks, sewage collection systems, garbage disposal facilities, and other such works.

The grants would not exceed 50 percent of the cost, unless it is determined that the area is suffering unusual economic distress, then the grant could go up to 90 percent, except that such 90-percent grants would only be allowed to public bodies; others would be entitled to grants as now allowed by law. In addition, loans would be authorized to those eligible groups which would otherwise be unable to meet their share of the cost of the projects.

This program would terminate 27 months after enactment of the bill.

II. The standby public works program would be essentially as follows:

1. There would be authorized for appropriation a total of $750 million, with at least 10 percent being used in rural areas of low-income families where there is lack of employment opportunities.

2. The program would not be triggered until after June 30, 1963. The triggering would occur only when the adjusted unemployment rate has risen by 1 percent over a period of 9 months or less, but not less than 3 months, if the total national unemployment rate is at least 5 percent.

3. As in the case of the immediate program, there would be authorized an acceleration of Federal projects, Federal grant programs, grants for public works not now eligible under existing programs such as State, county and city buildings, waterworks, sewage collection systems, garbage disposal facilities and other such works. The grants in the case of this program could not exceed 50 percent to public bodies and others would continue to receive grants allowed by law.

4. This program would automatically terminate 27 months after initiation unless it is determined by the President that it should be terminated at an earlier date.

REVITALIZATION OF WORK IN UTILITY FIELDS UNDER JURISDICTION OF FEDERAL POWER COMMISSION

Mr. KEFAUVER. Mr. President, the progressive and industrious Chairman of the Federal Power Commission, Hon. Joseph C. Swidler, has been making a number of talks recently which outline the Commission's plans for revitalizing its work in utility fields within its jurisdiction.

The latest of these addresses concerns the electric power industry and was given by Chairman Swidler at the American Public Power Association convention in Puerto Rico on May 15. I ask unanimous consent that it be printed in the RECORD at this point in my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE FEDERAL POWER COMMISSION—A PROGRAM FOR THE FUTURE

(Address by Joseph C. Swidler)

Twice before I have been privileged to speak at APPA conventions, once in New Orleans and again at the Seattle meeting. On both occasions I was a practicing lawyer representing, for the most part, public and cooperative power organizations. Since then I have taken on a new line of work as a member of the Federal Power Commission. I am sure that regulatory work has its charms, which the passage of time will unfold to me, but popularity is not one of them. I was therefore delighted to receive your invitation, which I take as a gratifying testimonial to your continuing friendship and regard to me.

I am especially happy to be here because you have chosen this lovely island as the site of your convention. In my recent career as a practitioner one of my clients was a public agency which I shall not identify further than to say that it conducts an electric power business in Puerto Rico. I must confess that I would gladly have heeded its summons to come to Puerto Rico on many more occasions than it saw fit to call me.

This is the first talk I have made as a member of the Federal Power Commission to a group of electric utility executives, although I have been a member of the Commission for over 10 months. I had begun to fear that the electric utility industry considered me an authority only on natural gas matters. However, the interest of the industry in the work of the Federal Power Commission has picked up a little in recent months, and I like to think that this increased interest is a result of the Commission's new activities in carrying out its responsibilities to the industry and to the power consumers of the Nation.

Perhaps the most unique and distinguishing feature of the electric power business is its sustained growth record. From the time—almost 80 years ago—when Edison first put the Pearl Street Station into operation and brought commercial power service into existence, the industry has grown at a rate in excess of 7 percent a year, and on the average power consumption and capacity have doubled every decade. Rarely have there been spirits in the industry venturesome enough to predict that in the decades ahead growth would continue at the same pace as in the past. Yet as decade after decade has rolled by there has been no sign of a leveling-off process.

The Federal Power Commission has recently revised its own projections to take better account both of the dynamic character of the American economy and of the special growth quality of the electric power industry within that economy. We now project a growth from 850 billion kilowatt-hours in 1960 to 3 trillion kilowatt-hours in 1980, and I see no reason to doubt that the Nation will reach a 9 or 10 trillion kilowatt-hour level in the year 2000. Even these figures, like most of the projections of the past, probably err on the side of conservatism since they reflect some tapering in the rate of growth.

I have had occasion recently to review the projections not only of the power industry, but also of the petroleum industry and their bankers on the rates of growth in overall energy use and the distribution of that growth among the various energy sources. One of the country's largest banks, for example, has estimated that the combined utilization of all energy will grow 37 percent in the next decade. A breakdown of its projections shows that natural gas consumption is expected to increase by one-third, but that electric power use will double. Economists for some of the leaders in the petroleum industry arrive at substantially the same conclusions.

Of course, all energy projections must be related to the way our whole society will develop in the years ahead. If we have a vigorous and dynamic society, the current forecasts will be met and exceeded. If our society should slow down its economic pace, it will not reach these figures. We know that electric power use will grow faster than any other form of energy use because it is the most convenient and versatile form of energy for the tasks of the home, the farm and the factory. But whether the rate of growth will be 5 or 7 or 10 percent a year depends on the progress of our economy as a whole, as well as on the judgment, foresight and vigor with which the Nation's power systems conduct their business in the years ahead.

The rate of growth of the electric power industry, and the national benefits which will accrue from the growth, may be affected by the quality of the leadership exercised by the regulatory agencies which have jurisdiction over it. The Federal Power Commission's own record in the electric power field in recent years has not matched the dynamic pattern of industry growth. Although the Federal Power Commission was created in 1920 as a hydroelectric power licensing agency and has exercised broad powers with respect to interstate electric power transactions since 1935, in the last decade, the Commission's power functions have suffered a severe attrition. Established spheres of activity have been allowed to wither and they have not been replaced by new programs or activities. While total electric energy use within the United States has mounted at a fantastic rate, the amount of human energy expended in the Commission's electric power programs has dwindled.

The Commission is determined to reverse this trend. We intend to focus on the live and important problems of the industries we regulate and to exercise leadership in helping those industries to do a better job in the public interest. We must avoid preoccupation with trivial matters which have no real regulatory impact and which offer no substantial benefits to consumers or the industry, and we must raise our sights from the negative conception of exercising only veto functions to attempting to encourage and stimulate better performance and greater progress in these industries.

I wish there were time to tell you about the recent decisional developments in the

Taum Sauk case involving jurisdiction over a pumped-storage project and the Androscoggin decision involving the question of license term for projects constructed before 1935 and now operating without a license, but I shall assume you have read or will read about these cases in the trade press, and go on to our problems and plans for the future.

The Federal Power Commission is the custodian of the Nation's hydroelectric resources with an obligation to assure that they are used in the national interest. Every hydroelectric project of substantial size—except those built by the Federal Government—requires a license from the Commission. It was my impression when I assumed office that the Commission was current in its hydroelectric licensing work. I was surprised to find that the pending applications for hydroelectric licenses, measured in dollars, were twice as great as the natural gas pipeline certificate cases. There were pending before the Commission as of the end of the first quarter of 1962 approximately $2 billion of estimated construction, involving 41 hydroelectric projects with a proposed generating capacity totaling over 8 million kilowatts.

For the most part, the hydroelectric licensing cases pending before us have not been delayed by our inaction, although the Commission is not entirely blameless. The reasons for the backlog of license applications are varied. Ten applicants with projects totaling almost $300 million have failed to supply the necessary information to enable the Commission staff to process their applications. In the past the Commission has allowed these cases to gather dust while waiting for the applicants to take the initiative. We are taking a fresh look at all such applications, and will either move them along or dismiss them. If a party does not have enough interest in his application to furnish the necessary information, he is not entitled to the priorities which his pending application gives him.

A large group of pending license applications representing over $700 million of construction and more than 2 million kilowatts of capacity are held up while the parties attempt to resolve conflicts between various of the multipurpose benefits. By far the most troublesome problem is to reconcile the construction of dams with the preservation of a favorable environment for anadromous and game fish. We are encouraged by the intensive research efforts now being carried on in this field. However, we cannot allow the fish problem to paralyze the Commission in acting on hydroelectric license applications. The Commission feels a heavy burden of responsibility to decide the applications for hydroelectric projects which come before us, and we do not intend to shirk our duty because the decisions are difficult. We propose to take a fresh look at each pending application which is held up because of conflicts between multipurpose benefits in an effort to expedite a resolution of these conflicts. If negotiations do not bring results within a reasonable time, the cases will be set for hearing and moved through the formal decisionmaking process.

I do not mean to say that every license application will be granted. The Commission is required to weigh the conflicting considerations and to decide on the basis of the overall public benefits. If on the record in a particular case the fish problem is insurmountable and more would be lost than gained by approving a license, we shall of course deny the license application. I say only that the primary guide for the Commission must be the overall public interest in the development of the Nation's streams.

The Commission has given serious consideration in recent months to another aspect of our licensing work—the status of licensed projects for purposes of the recapture provisions of the Federal Power Act. In only a few years it will be a half-century since the Federal Water Power Act was passed in 1920. Many of the 50-year licenses granted under the act will expire in less than a decade. We are concerned with the adverse effect of the present uncertainty as to the future status of these projects. As you know, section 14 of the Federal Power Act gives the United States the right to recapture any licensed project when the term of the license expires, upon not less than 2 years' written notice from the Commission. While the Power Act gives the United States the right to recapture licensed projects, it does not fix a standard or establish procedures which would aid Congress or the Commission in determining whether the United States should exercise its recapture rights. The situation at present creates great uncertainty as to the future status of licensed projects and of the power systems of which they are a part, and inhibits the comprehensive development of waterways involving projects that are subject to recapture in the near future. Moreover, existing laws provide no ready procedure by which the Government's recapture rights can be made effective.

The rapidly growing power needs of our country as well as increased needs for the other multipurpose benefits of water development projects make it urgent that we remove all artificial barriers that hinder the fastest possible development of this country's water resources. The Commission as the agency which granted and now administers the licenses has the responsibility to be as helpful to the Congress as possible in providing a basis for congressional determination of the future of projects operating under licenses which will shortly expire and which will thereupon be subject to recapture. For this reason the Commission has recommended to Congress that it enact legislation to permit the Commission to begin at once studies of projects under licenses which will expire in the seventies so that the Commission can make recommendations to the Congress with respect to their future status.

The standard we propose in determining the future status of these projects is the most effective conservation and utilization of the Nation's water resources in the public interest. Our recommendation is that the Commission submit to the Congress at least 3 years prior to the expiration of any license its conclusion as to whether the future ownership and operation by the licensee would best meet this standard, or whether the project should be recaptured. We believe the enactment of this legislation is vital to protection of the interests of the licensees and the Government.

An area of our work which is in urgent need of improvement is the determination of headwater benefits. There is a statutory obligation on the part of owners of non-Federal power projects to pay the United States for a share of the benefits they receive on account of the Federal investment in upstream projects. The total payments of all downstream beneficiaries through the years thus far have been less than $600,000. The Government has received very little more money than it has cost to make these determinations, leaving practically zero net compensation for the benefits accruing to owners of downstream projects as a result of the billions of dollars spent by the United States in improving the upper reaches of the Nation's streams. Unfortunately, Congress failed to provide for interest to accrue on the amounts due so that the companies have little incentive either to expedite the determinations or the payments. The Commission in turn has been hard pressed for manpower. As a result, decisions in headwater-benefit cases have become a prime example of regulatory lag. All in all, this is a field in which there is ample room for improvement.

We are taking steps to effect such an improvement. Our staff is at work to develop methods of simplifying the computation of headwater benefits and to devise formulas which will eliminate the necessity for a separate determination for each year. We are hopeful that within the next year we will have devised procedures that the Government will have a regular income from at least the river basins which the Commission has already investigated. With increased staff and streamlined procedures, we hope to bring into the Treasury in the future sums of money approaching the dimensions that Congress envisioned when it provided that the downstream owners must pay for a share of the benefits they receive from upstream Federal developments. Our efforts would be facilitated if Congress provided for the payment of interest on unpaid amounts. I regret to say that this matter is not covered in our current legislative recommendations to the Congress, but it will be considered by the Commission in connection with our legislative recommendations for 1963.

The Commission's area of responsibility includes the rates and charges by privately owned public utilities for the sale of electric power in interstate commerce at wholesale. This aspect of our jurisdiction probably does not play an important part in the rates which the ultimate consumer now pays for electric power. As you know, the local distribution of electricity, whether the electricity originates in the same State or another State, is outside the FPC's jurisdiction. In addition, the structure of the electric industry, unlike the natural gas industry, is such that there are relatively few sales from a generating company to a distributing company. Most electric companies operate on an integrated basis, producing and transmitting most, sometimes all, of the power they distribute at retail. It is only when an interstate company makes a sale to a separate distributor, which in turn markets the power, that a transaction takes place which is subject to FPC regulation. Such transactions will undoubtedly increase in number and importance with the passage of time and the accelerating trend toward integrated operation of interstate power pools.

While I was aware that wholesale sales in interstate commerce represented only a small portion of this country's electric power supply, I was surprised to learn that the Commission's workload in this area was quite as small as it turned out to be. We suspended only two electric power rate increases in the past year. I presume that the mere existence of FPC jurisdiction, however little exercised, has had some restraining influence on interstate wholesale rates, but how much I do not know.

It is revealing, with respect to the degree of vigor in carrying on the Commission's electric rate regulation activities in recent years, that no formal complaints were filed as to the level of existing rates nor where any investigations initiated by the Commission on its own motion. It can hardly be that every private company, municipality, and cooperative which bought power at wholesale in interstate commerce was content that the rates it had to pay were just and reasonable. I do not mean to suggest, necessarily, that they were not just and reasonable. What is clear is that the FPC has not been generally recognized as an effective forum for complaints concerning the wholesale rates subject to our jurisdiction. It may be that many of the distributors purchasing power at wholesale do not even know of their right to have the FPC pass on the reasonableness of their rates or that the Commission has authority in most circumstances to compel continued service at reasonable rates even in the absence of a contract.

There is small wonder that knowledge of the FPC's rate jurisdiction has not been widespread. When I became a member of the Commission it took me some time to find the Commission's electric rate staff. It turned out that it was hidden away in the Bureau of Natural Gas or, as it was called until a few months ago, the Bureau of Rates and Natural Gas Certificates. This group—it is not large—has now been located and transferred to the Bureau of Power, where the rate activity will receive the attention it deserves. Building staff is not the work of a day, but we hope in the coming months to be able to say that we are fully equipped to discharge our function of regulating electric rates in interstate commerce.

A starting point in catching up with our rate responsibility will be to find out the extent of the transactions subject to our jurisdiction but in which that jurisdiction is not being recognized. We intend to take action to insure that there is no evasion of the obligation of public utilities under our jurisdiction to file their rate schedules with the Commission.

An important area of FPC activity is its informational and statistical services. These, too, need improvement. The dissemination throughout the country of information and reports concerning every aspect of the power industry is a handmaiden to all of the Commission's other activities in the power field. The information in these reports is the working tool of the FPC and of all other regulatory agencies in the electric power field throughout the country, as well as of investor and consumer groups. The dissemination of information which draws pointed attention to significant trends, problems, and comparisons is in itself an important regulatory device. We publish large quantities of indispensable industry information, such as our annual statistics of privately owned and publicly owned utilities in the United States. However, our informational activities need reanalysis. For example, we still put out comparisons of rates at levels of 25 kilowatt-hours a month to 500 kilowatt-hours a month. These levels are substantially unchanged since 1935, when the average annual residential use was 677 kilowatt hours. In 1961, it was approximately 4,000 kilowatt hours, but the rate comparisons have not changed. The millions of consumers who use more than 500 kilowatt-hours a month have no way of comparing their bills, while the 25-kilowatt-hours category has lost much of its importance. We are remedying these deficiencies to a degree by enlarging our typical bills information to include 750 kilowatt hours a month, and by dropping the 25-kilowatt-hour group. We are also making a special survey of typical bills for large usages of electricity that would cover electrically heated homes.

One large project—and I am not setting a date on which we might achieve this goal—is to revise our entire system for collecting and disseminating information so that we can issue statistical material which will be of more help to the public, to scholars, and to the industry. In revising both the forms for securing information from the industry, and the informational material that we make available in turn to the industry and to others, we shall solicit the help of a group of experts from all segments of the industry, from the universities, and from other sources.

The public systems can help the Commission by improving their response to Commission requests for information. I know that preparing any report may be a burden for small municipal and cooperative operations. However, I am sure that if you stop to think how important it is to maintain complete and significant information about the status, progress and problems of all segments of the industry, compiled and issued by an impartial, independent regulatory commission, you will want to encourage us to gather and release the information needed by the industry and the public by furnishing us the standard reports on your operations. For our part, we will confine our requests to material that is meaningful and important. We have underway proceedings designed to revise and simplify the annual report forms for class A and B municipalities and we will of course consider the comments already received from APPA in making those revisions.

I come now to the Commission's most important new activity, the national power survey. One of the functions the Commission has been carrying on for many years is the preparation of interconnection studies. The work in the past has been done on a local or regional scale. Studies have been made of the benefits to be realized by tying in plant A with plant B or system A with system B. After the studies were made, they were submitted privately to the systems involved, public and private, and informal efforts were made to persuade the power systems to build the lines. Sometimes they did, sometimes they didn't, and sometimes they built an alternate facility. There was no effort within the Commission to carry out on a broad scale the responsibility assigned to it in section 202(a) of our statute to encourage the voluntary interconnection and coordination of power systems on a regional and interregional basis.

The Commission is now in the process of remedying the inadequacies of its previous approach by carrying out a coordinated national power survey. This survey can, I think, prove to be the greatest contribution of the Federal Power Commission to the public interest of any activity, either on the gas side or the power side, that it is carrying on. In brief, we are in process of drawing up, for 1970, 1975, and 1980, a general plan for a coordinated system of power supply for the entire country that will link our most economical hydro capacity with large and efficient new steam powerplants by the use of high-voltage and extra-high-voltage transmission lines.

The basic conception of the national power survey, the coordination of the power systems of the country to make best use of the Nation's capital, fuel, and technological resources, is not a new one, but the enormous technological strides of the last decade or two present new opportunities and incentives. The rapid advancement of the art of generation, which has resulted in doubling of the maximum size of steam-electric units in only a couple of years, and the great progress in the technology of EHV transmission, require a new appraisal of the extent to which the national interest would benefit by coordinating the plans of the entire industry for supplying the nation's loads.

I need not tell you gentlemen the enormous savings in the cost of generating electricity that can be achieved by moving from a 100,000-kilowatt unit, and even more from a 25,000-kilowatt or 5,000-kilowatt unit, of which many are still being built, to the million-kilowatt unit size which has just become available, or of the savings in transmission which can be achieved if large blocks of power are transmitted by a 500- or 750-kilovolt line rather than at 165 kilovolts or 220 kilovolts, or even 345 kilovolts.

In making the survey, we do not start with fixed answers. Hypotheses as to the national economies which can be achieved in various ways will be tested critically as the survey proceeds. The purpose of the survey is not to advance any single solution to the overall problem of meeting the Nation's power requirements in future years, but rather to appraise objectively every possible way of serving the national interest through coordination and integration, and to focus on the national interest in eliminating impediments which prevent effective use of the Nation's electric power resources.

I am pleased to be able to say that the Commission is receiving the full cooperation of all segments of the industry—public, private, and cooperative—in carrying on the survey. A number of advisory committees are already hard at work. The committees have been carefully balanced to assure that the viewpoint of each element of the industry will be heard and considered on every problem. On the top committee, the executive advisory committee, the public agencies are represented by Dr. Paul Raver of Seattle of TVA's G. O. Wessenauer, who is vice chairman.

The ultimate purpose of the national power survey is to benefit the consumer. The survey is aimed at the decade beginning in 1970. For that period and beyond, we begin with the premise that low rates start with low costs, and everything that makes possible a reduction in costs by better utilization of energy resources makes possible a reduction in rates. Beyond the consideration of rates alone, the consumer as a citizen has a profound interest in low-cost energy as the foundation for this country's industrial growth and the employment opportunities and rising standard of living which go with it.

The extent to which lower costs are translated into lower rates depends to a degree on all of us—the privately owned systems, the public systems and regulatory agencies. The private companies must recognize their own long-term interest in marketing their product at the lowest possible price and make rate reductions a major goal. The force of example is powerful, and if the public systems strive for ever-lower rates, passing along their own cost reductions, they will be benefiting all consumers. At the same time, the regulatory agencies have a heavy responsibility both to encourage cost reductions and to insure that the regulatory process operates to protect the consumer interest in sharing the benefits of the new technology and national power coordination.

The economies of scale in the generation and transmission of electric power are enormous, and the tide in the industry toward taking ever-increasing advantage of the new technology is irresistible. To a large degree this trend accounts for the constantly declining number of electric systems both public and private. The public and cooperative systems have amply proved however, that giantism confers no advantage with respect to distribution, but on the contrary, that local distribution has many advantages, economic as well as social. The challenge of the future is to enable all consumers to share in the benefits of the new technology in power supply, without contributing further to the loss of local values in the distribution side of the business. This is a challenge not only to the Commission, but to the public and private systems, and to the Nation.

I have said nothing yet about public power in particular, but at this great convention of the public power agencies of the United States, it is appropriate that I say a word about the position of public power in relation to the responsibilities of the Commission.

When I was confirmed as a member of the Federal Power Commission, I told the Senate Interstate and Foreign Commerce Committee that as a member of the Commission I was going to try to conduct myself in a completely impartial way, by applying the applicable law to the facts of each particular case, and this I have done. None of you would expect me to favor public power in the discharge of my work; and I assure you I do not intend to penalize it.

Some of the Commission's decisions, to be sure, may have a collateral impact on the

competitive relationship between particular public and private power enterprises, but such an impact, in itself, is not a factor which a member of the Federal Power Commission can take into consideration in deciding a case on a record, except as Congress has prescribed that he shall do so. I am sure that the public interest will be served if the Federal Power Commission reaches its decisions impartially and performs its regulatory functions effectively. I am also convinced that fair and vigorous administration of the responsibilities of the Federal Power Commission will help to make it possible for public power to share fully in the enormous future growth of the electric power industry.

BILLIE SOL ESTES

Mr. ALLOTT. Mr. President, on May 14 on the floor of this Chamber, I expressed my interest in, and my concern about the Estes case. At that time, I suggested that it would be in the national interest for Secretary of Agriculture Orville Freeman to submit his resignation.

On May 16, there appeared in the Washington Post a statement attributed to the President, which I quote:

No one speaks for American agriculture with more confidence or authority than Secretary Freeman, who is entrusted with the important and difficult task of guiding our agriculture into the new economy of abundance which its productivity has created.

If this statement can be construed to be a response to suggestions that Secretary Freeman resign, then I must say it is no answer at all, and I must reply: Heaven help American agriculture, if the Estes affair is any example, or any indication of how this authoritative public official intends to guide the destiny of this all-important industry in the future.

I would suggest that the Secretary of Agriculture, if he is not already aware of it, pay particular attention to the surging swell of editorial comment from around the country, along with letters to the editors, and that he perhaps "take a reading" on the tone of congressional mail. As just hurriedly gathered examples of these, I ask that there be included in the RECORD as a part of my remarks, three editorials which I have in my hand, one from the May 16 issue of the Pueblo, Colo., Chieftain, another from the Denver Post of the same date, and still another from the May 18 issue of the Rocky Mountain News of Denver.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Pueblo (Colo.) Chieftain, May 16, 1962]

SILENCE IS LEADEN

The complex maneuvers of Texas' Billie Sol Estes in relation to various Agriculture Department programs are under scrutiny by the FBI and a 10-man team of the Senate Investigation Subcommittee.

Estes is under U.S. grand jury indictment for alleged fraud in handling mortgages he is charged with selling on nonexistent fertilizer tanks. His Government dealings involve storage of surplus grain and acquisition of valuable cotton allotments.

Though Agriculture Secretary Freeman says he called in the FBI, he chose also to offer perhaps premature assurances that his Department has done no wrong in the Estes affair.

Congress, for its part, has been unable to stir its powerful House and Senate Agriculture Committees to undertake obviously relevant inquiries.

Yet possibly the biggest missing element in this unfolding story is a clear call from President Kennedy for purposeful action.

The President has instituted strong ethical codes for governmental personnel. The country naturally expects, therefore, that he would commit his own prestige fully to a definitive airing of this case.

[From the Denver Post, May 16, 1962]

ESTES CASE CHARGES NEED ANSWERS

There are a lot of answers needed on the Billie Sol Estes case. Congress has announced plans to investigate the "get-rich-quick" Texan and his political deals. For our money, it can't perform the job quickly enough.

The charge by Senator GORDON ALLOTT, Republican, of Colorado, Tuesday that a U.S. Department of Agriculture woman employee was "dragged screaming" to a mental hospital to keep her from revealing information about the Estes case is shocking.

This charge, alone, merits a full investigation. If it is true, the USDA is guilty of police state methods that the Nazi S.S. or the N.K.V.D. would have been proud of.

If it isn't true, the people who make such charges ought to be exposed. In either case, the facts need to be laid out for the public to see.

The Estes case has spread so widely and involves too much, it's hard to predict where the next bombshell will burst. In Texas? In the USDA itself, where Estes seems to have used influence to get improper cotton acreage allotments? In the wheat storage program where he was assigned vast tonnages of Government storage? In industry where people may have played along with Estes' mortgage racket? In the U.S. Labor Department where he obviously had friends?

As far as we can tell, Estes is one of those remarkable people who have the ability to work hard, charm people out of their last dollar, and exhibit admirable public traits which obscure a fatal weakness—the willingness to plunge in over their heads, morally and financially.

Thus, Estes cheerfully contributed money and time to many worthwhile enterprises, and not necessarily profitmaking enterprises, either.

But he also, according to ample evidence, pursued this generosity with people who could do him a lot of good—politicians, for example, and people who handled Government farm programs.

It's hard, at this time, to drop the Estes scandal directly on the desk of Orville Freeman, Secretary of Agriculture. But it is also a very likely proposition that Estes couldn't have secured so many favorable decisions from Government without influential friends in the USDA and elsewhere.

How close all this came to Freeman is one question to be determined.

There has been apparent a desire on the part of the administration to ignore the sensational, and sometimes sensationalized, accusations against administration officials and staff members.

Administration officials need to be reminded that a scandal can't be made to disappear simply by wishing it away. Someone is going to have to spell out why Estes was able to wield influence so successfully with the USDA.

We are reminded of a Kansas motto: "Better to grasp the nettle quickly and firmly than to try to dodge it. The pain may be less in the long run."

We'd recommend the motto to the administration.

[From the Rocky Mountain News, Denver (Colo.) May 18, 1962]

THE 100-YEAR SPRAWL

Just 100 years ago this week—on May 15, 1862—President Lincoln signed a bill to create a department for agriculture.

He then appointed a man named Isaac Newton, who borrowed a couple of rooms from the Patent Office and hired about 30 hands. His job: To "acquire and diffuse" information designed to promote agriculture.

Mr. Lincoln should see the result of that signature today.

The Agriculture Department now is sprawled all over the world. Its budget for 1963 officially is announced as more than $5.8 billion—and it will spend much more. It has more than 90,000 employees—about 1 for each 40 farmers—and it is growing fast.

It acquires and diffuses information by the ton, on everything from infant care to African violets. But that is merely a sideline.

It carries on an immense research program, with more than 600 field stations for this purpose alone. It fixes prices, controls acreage, tells farmers what to plant and how much.

It owns a vast hoard of so-called surplus crops and constantly is buying and selling in huge quantities. It gives away great volumes of foodstuffs, and sells great amounts at a loss to the taxpayers.

Next to the Defense Department, the Agriculture Department occupies the most office space in the Government. It has the biggest payroll aside from Defense and the Post Office Department.

The number of farms and farmers in the United States has been declining steadily. But not the Agriculture Department. It gained 3,700 employees last year alone.

Along with its expansion, the Department rapidly has increased its power—and Secretary Freeman is asking for more.

Which prompted the president of the largest farm organization in the country to remark this week:

"The basic fallacy in the economic control philosophy is the idea that Government planners can determine human needs better than a relatively free market. Misuse of power, petty favoritism, outright corruption, wasteful production of unneeded surpluses, and continued low farm prices are the result."

On the 100th anniversary of the Agriculture Department, the Billie Sol Estes case is another result.

Mr. ALLOTT. In addition, I received a telegram which I shall read, which is illustrative of many such telegrams and letters I have received in the past 2 weeks:

LAMAR, COLO.,
May 15, 1962.

Senator GORDON ALLOTT,
Washington, D.C.:

On Freeman-Estes I admire your stand. I hope you fight as long as necessary to get the whole truth and justice. Also while on the job, why not try to put more sanity in the USDA work with the farmers in place of the nonsense we now have to deal with.

H. C. WEAR.

BRANDON, COLO.

Mr. President, also appearing in the newspapers on May 16 was the announcement that still another highly placed appointed official had been discharged from the Department of Agriculture. It had been established that he too had wallowed in Mr. Estes' largess. Every inquiry into this bizarre case of Billie Sol Estes seems to bring to light

another association with some highly placed appointed official. We must assume that each of these appointees are Mr. Freeman's for, as head of the Department, he is charged with not only the privilege, but also the responsibility for the selection or approval of such appointees.

How many more incidents of possible collusion must be found? How many more cases must be found where—

First. A career civil servant of over 25 years service is summarily locked out of his office and denied access to pertinent records after suggesting to his superiors that facts disclosed by those records called for a thorough investigation into the Estes affair?

Second. A 51-year-old secretary is subjected to the indignity of being taken from her office and confined to an institution for psychiatric observation without being shown the decency of having some member of her family notified beforehand?

Third. A career civil servant with over 25 years in the Department, has a fence of silence built around him, when he could, perhaps above most others, tell the truth about demands supposedly made to the Department by Estes that the Department stop its investigation of the questionable cotton acreage allotments?

Fourth. The responsibility for allowing Estes to put up a bond of one-sixth the normal amount is placed on a civil service employee of the Department, and as a "punishment" that man is simply "transferred"?

Very possibly, more incidents will be uncovered by Senator McCLELLAN and his committee, of possible collusive connections between Government officials and this boondoggling mountebank from Texas. But, I ask again, How many more such incidents must be uncovered before Secretary Freeman acknowledges that he has been negligent in carrying out the duties he took an oath to perform?

No obstacle should be placed in the path of Senator McCLELLAN and his committee getting the whole truth as a result of the investigation and hearings now in progress. So that Senator McCLELLAN, his committee, and the people of this Nation may be assured of this truth and so that our farmers can again look to the Department of Agriculture with confidence that they will receive unbiased help with their problems. Mr. Freeman's influence, whatever it may be, should not be felt during the time these hearings are being conducted. Every career civil servant must be given a fair opportunity to disclose anything he might know pertaining to this case without fear of any retaliatory action from someone higher up.

Mr. Freeman stated the other night in a TV interview, and the President has indicated his argeement on many occasions:

> We insist that our people not only be pure, but must also look pure.

I submit, Mr. President, that so long as Mr. Freeman remains as the Secretary of Agriculture, there will remain in the minds of those career civil servants—who might be in a position to disclose some heretofore undisclosed facts about Estes and his "wheeling and dealing"—some fear of reprisal. As a result, so long as Mr. Freeman's presence can be felt the Department of Agriculture will be only half pure.

I submit that the people of this Nation, and particularly our farmers, are fed up to their ears with this mess. They are fed up with the many evidences of loose management that obviously made it possible for such a man as Estes to get into a position where he could bilk so many people out of so much money. Above all, they are so fed up that there remains, even this early, little or no confidence in the Department of Agriculture or the Secretary. Without such confidence, from the very people with whom he must deal, and upon whom he must depend for support of any of his programs, it is inconceivable that Secretary Freeman can possibly justify any course of action, if he has a true awareness of the national interest, other than an immediate resignation.

I repeat also, Mr. President, that further action is indicated as a result of the recent resignation of Assistant Secretary of Labor, Mr. Holleman. Mr. Holleman, incidentally, is the gentleman who stated that it was impossible for him to "get along" in the manner "which his position dictates" on a "paltry" $20,000 per year. Representative of the impact that this statement had on some of our citizens is a letter in the "Letters to the Editor" column of the Washington Post on May 22, from a retired civil service employee. I ask consent that this letter be inserted in the RECORD at this point and be made a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 22, 1962]

"E"

MAKING ENDS MEET

I have heard that a highly paid Government employee stated that he could not get along on his $20,000 per year salary and had to accept outside help.

What about many of us retired civil employees who receive Government pensions of $100 per month more or less? How do we get along? Could we get a $1,000 assist from anyone under any condition?

F. R. GALE.

JEFFERSON, MD.

Mr. ALLOTT. Mr. President, since the first startling announcement of his resignation, there has been no indication that this case is being studied to any extensive degree. I would presume, however, that Senator McCLELLAN's committee would study it further, because there is undisputed evidence that something more exists to this case than has been so far disclosed.

In addressing this Chamber 2 weeks ago, I entered into the RECORD evidence of an admission by Mr. Holleman that some of the discussions he had with Mr. Estes were with reference to the minimum wage scale established for the Mexican national labor forces used so extensively in Colorado, Texas, New Mexico, Oklahoma, Kansas, Nebraska, and many other Western and Southwestern States. As further evidence of this, I quote from a letter published in the Letters to the Editor column of the Washington Post on Monday, May 21, the letter was written by a personal friend of Mr. Holleman, one Maury Maverick, Jr., of San Antonio, Tex. Along with several other biographical notes commending Mr. Holleman's humanitarian qualities, Mr. Maverick says:

> He fought for the poor Americans of Mexican descent. He stood up for higher wages for the bracero workers from Mexico, the people who picked Billie Sol Estes' cotton, by the way.

It is most interesting to note that these same workers for whom Mr. Holleman felt such compassion were granted, in Texas—as a result of a hearing held in Midland, Tex., in February, conducted by Mr. Holleman, and during which Mr. Holleman and Mr. Estes were reportedly seen exchanging numerous notes—the lowest minimum wage scale established for any State competing in that same farm produce market. I might add here that Midland, Tex., is less than 100 miles from Mr. Estes' hometown of Pecos, and 100 miles in that part of Texas means about as much as going from the northwest section of Washington to the northeast section. Very convenient for Mr. Estes.

I suggest that Mr. Holleman's compassion for these workers was perhaps tempered by a desire and a determination to give his great and good friend Mr. Estes a "break" in the costs involved in growing and marketing cotton—a determination that was most evident when I last saw Mr. Holleman and he adamantly refused to give any consideration to a very apparent inequity that resulted from his ruling. When I saw Mr. Holleman, along with some farmers from Colorado, he seemed to have no qualms about the fact that these Colorado farmers were being penalized because they were forced to compete in the same markets with Texas in marketing their foodstuffs—no qualms about the fact that the Texas farmer can now produce his crop with 20 cents per hour less in man-hour costs than a farmer growing the same foodstuffs in Colorado.

As a result of these flagrant inequities, and because of my strong suspicions that this is still another revolting example of influence peddling, I have written the following letter to Secretary of Labor Arthur Goldberg, and I ask permission to have a copy of this letter made a part of the RECORD at this point in my remarks:

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
May 22, 1962.

HON. ARTHUR J. GOLDBERG,
Secretary of Labor,
Department of Labor,
Washington, D.C.

DEAR MR. SECRETARY: As I indicated some 2 weeks ago, on the floor of the Senate, the circumstances surrounding the resignation of Assistant Secretary of Labor Jerry Holleman are of some concern to me. Such concern, in fact, that I am compelled to formally request that there be an immediate reevaluation of the presently established minimum wage scale for bracero workers in Texas, as compared to the scale set for Colorado.

As you will recall, at the time this minimum wage scale was set, establishing a 70-cent-per-hour rate for Texas, and a 90-cent-per-hour rate for Colorado, a contingent of Colorado farmers came to Washington, and along with Congressman J. EDGAR CHENOWETH from the Third Congressional District of Colorado, I accompanied them to a meeting you had arranged with Mr. Holleman. At that time, our primary point of discussion was not an objection to the minimum wage scale as such, but rather the apparently preferential rate established for Texas in comparison to the rate set for Colorado, when these two States are forced to compete in the same produce markets.

After this meeting, it was difficult for either my constituents or me to understand the adamancy of the Department of Labor, as expressed by Mr. Holleman, in refusing to consider immediately any change in this obvious inequity. Now, I must admit, suspicions cloud my thoughts in light of Mr. Holleman's acknowledged association with Mr. Estes, his acceptance of financial aid from Mr. Estes, and the fact that Mr. Estes was one of the largest users of Mexican migratory workers in the State of Texas. The question that arises is, of course, just how much influence did Mr. Estes' association with Mr. Holleman, and his cash "assistance" to Mr. Holleman have in establishing this preponderately preferential wage scale for Texas?

I would very much appreciate hearing from you on this matter at your earliest convenience.

Best regards.

Sincerely yours,

GORDON ALLOTT,
U.S. Senator.

Mr. ALLOTT. Mr. President, Mr. Goldberg has promised me, verbally, a complete and independent investigation of this matter, and I know this will be done.

It is my sincere hope, Mr. President, that Senator MCCLELLAN and his committee will see fit to look into, much more closely, the association of Mr. Holleman and Mr. Estes. And, also, that the Secretary of Labor will act accordingly on my request for a reevaluation of the minimum wages set for migratory workers in Colorado, as compared to those set for Texas.

ANNIVERSARY OF THE RECLAMATION ACT

Mr. ALLOTT. Mr. President, June 17, 1962, will mark the 60th anniversary of the signing of the National Reclamation Act. Just as President Teddy Roosevelt predicted, the reclamation and settlement of the arid West has enriched every portion of our country. The impoundment, storage, and application of water to a beneficial use has literally transformed the 17 Western States into a flourishing region with the result that the national economy as a whole has been the beneficiary. But the task is far from complete, and as we approach the beginning of reclamation's seventh decade a number of projects remain. According to figures furnished by the Bureau of Reclamation there are presently 12 authorized projects or units on which advance planning will be underway during fiscal years 1962–63. There are 14 projects pending before or being processed for submission to the Congress; and there are 16 potential projects under investigation during fiscal years 1962–63.

In the Reclamation News, May issue, there is an editorial which is most appropriate, entitled "Reclamation Is Facing Its Most Crucial Test." In order that this editorial may have the consideration of all the Senate, I ask unanimous consent that it be printed in full at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RECLAMATION IS FACING ITS MOST CRUCIAL TEST

Reclamation today is facing a most critical situation—probably the most crucial and most difficult in all its 60-year history. This is tragic news indeed to all Westerners. It is difficult to understand, in view of reclamation's importance to the West and to the Nation. The West in the past has always marshaled its forces to overcome difficult situations but it is more urgent now than ever before that the West be united in support of reclamation.

This difficult situation is due to a misunderstanding or misinterpretation of an announcement by the Department of Agriculture in mid-January to the effect that by 1980 we will need "50 million fewer acres than we have in production today." Too many people have erroneously interpreted that announcement to mean that reclamation should be stopped.

There can be no question but that this is an erroneous interpretation. Shortly after the announcement by Agriculture, Senator CLINTON P. ANDERSON, New Mexico, wrote to Secretary of Agriculture Orville L. Freeman, stating that in his opinion the announcement by the Department of Agriculture was "being misinterpreted in some quarters to mean that there is no need for further irrigation of land in the United States, at least until some time after the year 1980." "I say misinterpreted," Senator ANDERSON said, "because my reading of the preliminary report of your Land and Water Policy Committee and the other documents on which the figure is based indicate that the irrigation of additional lands will be very important in making it possible to meet our food and fiber requirements in 1980 with a smaller total acreage of crop land." Secretary Freeman, in reply stated that Senator ANDERSON's interpretations "are substantially correct." He then went on to point out in his letter that "the acreage under irrigation is expected to increase by 9.4 million acres over the same period" (by 1980).

Secretary Freeman added that "The expected continuation of land and water development and improvement is reflected in the yield estimates contained in the preliminary report." (The Agriculture Department release was based upon the preliminary report.)

In a speech at Brawley, Calif., on March 3, Secretary Freeman made it clear that sound reclamation and irrigation projects and the land adjustment proposals of the food and agriculture program for 1960 are compatible with each other. In that address, he stated, "If we look to the longtime future, there is no question but that reclamation and irrigation must go forward, that the concept fits logically into the abundance-balance-conservation-development approach."

MOST IRRIGATED CROPS ARE NOT IN SURPLUS

Most of the farm products coming from irrigated land, he said, "are not the ones for which there are serious overproduction problems * * *. It is unsound to suggest that the current imbalances which exist in some crops could be corrected by squeezing off water resource development in one section of the country."

Thus it is very evident that those who contend that reclamation be stopped are misinterpreting the mid-January announcement by the Department of Agriculture. It never was intended by Agriculture that reclamation should be stopped.

These statements by Secretary Freeman have helped materially to clarify the situation. The 17-Governor letter to President Kennedy (see April issue of Reclamation News) has also proven helpful. But these combined efforts have not offset the adverse effect of the announcement by the Department of Agriculture in January.

There are many permanent and very worthwhile benefits resulting from reclamation that are not fully understood or appreciated by those living outside the reclamation area, particularly by those living in humid regions. They do not—they cannot understand or appreciate what reclamation really means. Actually, every community in the western half of the United States—the arid and semiarid West—has a deep and vital interest in reclamation.

RECLAMATION REPAYS

Reclamation is one of the few Federal programs which repays its cost. It pays through the repayments by water users and power users, and these users have a remarkably fine record of repayment. The water users on Federal reclamation projects are considerably less than 1 percent delinquent in payments due the Federal Government. Furthermore, it pays through increased income taxes, and these taxes are created out of wealth that would not exist if it were not for the reclamation projects. On a number of projects, income taxes alone over a few years' time have exceeded the total cost of the project.

Reclamation has resulted in the establishment of fine American communities, with their beautiful homes and churches and prosperous business centers, scattered throughout every State in the West. Practically every major population or industrial center west of the 98th meridian, except those along the west coast, has as its foundation an irrigation or reclamation project. As the Governors' letter pointed out, "When reclamation projects are constructed, homes are built and thriving communities are soon established. First there are villages and then cities, which soon become highway and railroad junctions. Thus, metropolitan areas are developed, markets are created, and the transportation, water and human resources which are needed to develop the timber, mineral, recreational and other resources of the region are provided." When these communities are thus established, small industries move in, and thus we have dispersal of industry, which is vitally important from a national welfare standpoint.

RECLAMATION IMPROVES OUR DIET

Another contribution from reclamation which must not be overlooked is the improved diet of the American people. We must give almost entire credit to western irrigation and reclamation for the fact that we have an abundance of green vegetables and fresh fruits, not only during the summer, but throughout the entire year. We are very much inclined to take all of these things for granted. Few people realize that the irrigated West provides 84 percent of the Nation's supply of broccoli, 63 percent of our asparagus, 82 percent of our cantaloup, 60 percent of our celery, 79 percent of our carrots, 93 percent of our lettuce, and, according to information released by the Department of Agriculture, practically all of our olives, dates, figs, nectarines, and lemons. Without western irrigation, the diet of the American people would be vastly different and much less wholesome than it is today.

Reclamation today, more than ever before, needs the united support of the entire West. The total membership of the House of Representatives is 437, but only 99 Members come from the 17 Western States, and the sad truth is that all western Members have not always supported reclamation. The 17 western Governors exemplified a true spirit of unity in behalf of the West when they all joined in signing the letter to President Kennedy endorsing reclamation. It would be most appropriate for us all to follow the example set by the Governors and give our united support to a program which means so much to the future growth, development, and prosperity of the West. We hope that the unity evidenced by the Governors' letter will be reflected by a solid nonpartisan western front in Congress. Now is the time for the West to be united. In union there is strength.

FRYINGPAN-ARKANSAS

Mr. ALLOTT. Mr. President, the Fryingpan-Arkansas authorization bill is currently pending before the other body. Consideration of this important project is imminent and, of course, I am hopeful that it will be approved. The Fryingpan-Arkansas project has the full and complete support of the Colorado delegation and is staunchly favored by the people of my State.

This project received favorable consideration in the Senate during the 83d, 84th, and 85th Congresses, and represents a diversion of approximately 2 percent of Colorado's share of the waters of the Colorado River apportioned to the Upper Basin States. Uses to be made in addition to suplemental irrigation include water for municipal and domestic requirements for the cities of Pueblo, Colorado Springs, La Junta, Las Animas, and other cities in the Arkansas Valley. Moreover, additional features of the Fryingpan-Arkansas are represented by power, flood control, sediment and pollution control, fish and wildlife values as well as recreation. All of these features will prove beneficial to my State and will improve the economy, not only of Colorado, but of the Nation as a whole.

Mr. Robert B. Keating, president of the Board of Councilmen for the City and County of Denver, recently wrote to me, transmitting the unanimously adopted motion on the subject of the Fryingpan-Arkansas project. Knowing that action by the board is of interest to all Senators, I ask unanimous consent that this letter be made a part of the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 11, 1962.

Hon. GORDON ALLOTT,
Senate Office Building,
Washington, D.C.

DEAR SENATOR ALLOTT: The Denver Board of Councilmen recognizing the importance to Colorado for the development of strong and healthy municipalities, unanimously adopted the following motion at its meeting of May 7, 1962:

"The Board of Councilmen of the City and County of Denver in recognition of the importance of the benefits to be derived from the Fryingpan-Arkansas River Diversion project—urges the U.S. Senators and Members of Congress, from Colorado, to exert their fullest energies to assure the passing of this legislation during the current session."

Even though the city of Denver receives no direct benefits from this project, the city does, indirectly, benefit by virtue of the development of the municipalities affected by this project.

Very truly yours,

ROBERT B. KEATING,
President, Board of Councilmen.

FINANCIAL PLIGHT OF THE AIRLINES

Mr. ALLOTT. Mr. President, one of the darker spots in our Nation's economy continues to be the financial plight of our commercial airlines. Last year the 11 major systems lost a total of $30 million. Certainly this plight is of concern to every American and it poses problems for many segments of the Nation's industry. Much of the problem can be traced to the ruinous competition now present on certain routes. The CAB presently has merger proposals before it, which certainly merit their most careful consideration as possibly offering a way out of the financial woods for the companies concerned—without harming the public interest in the matter.

An editorial in the American Metal Market for Monday, May 21, 1962, spotlights these issues. I ask unanimous consent that this editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE AIRLINES' PLIGHT

The financial plight of the Nation's major airlines poses for all segments of the American industry, including the highly competitive metalworking firms, as well as the Federal Government some rather weighty and knotty problems.

For these financial difficulties might readily endanger the airline system as an important and vital adjunct of business, which has come to depend so heavily on its convenience and speed, as well as endangering the airlines' ability to perform efficiently as part of national defense. The value of the airlines in the fields of business and national defense is best attested to by enthusiastic support by many nations of their national air carrier systems.

Malcolm A. MacIntyre, president of Eastern Air Lines, recently warned Civil Aeronautics Board examiners, hearing Eastern's plea for a merger with the American Airlines system, that if the industry's losses continue to mount at the present rate, the airlines might readily lose public confidence in their ability to fly safely. Last year, the 11 major systems lost a total of $30 million.

Bankruptcy for all or some of the lines, of course, would be a shattering blow for all those segments of industry which must depend on attracting investors' dollars to finance their expansion and modernization programs. This has been one of the basic steel industry's most difficult problems since World War II days, because of the low selling prices of common stocks in relation to the replacement costs of the investments they represent. Issuing of more common stock merely serves to water down the equity of existing investments.

Mr. MacIntyre cited the example of the bankruptcy-ridden New Haven Railroad to support his contentions of the dangers confronting the airlines. The New Haven, in serious difficulties, lost another $19,500,000 in 1961, its customers losing even more confidence in its ability to perform. So consequently it continues to lose money in even greater amounts.

Much of the airlines' troubles, of course, spring from their over-enthusiastic entry into the jet air age. Coming at $5 million to $6 million each, the airlines invested hundreds of millions of dollars in new fleets. The smaller airlines were forced into comparable huge investments to remain competitive. The rub was that the necessary increase in traffic to support the sharply increased air service simply wasn't there, for the 125-seat, 600-miles-per-hour jet airliner can do four times the work of the smaller piston-engined aircraft. Another problem is how to dispose profitably of this displaced fleet which have many potential years of useful life.

The airlines' plight is something that concerns every American, for it involves the country's financial stability. Certainly some governmental action is called for, possibly approving the requested mergers of the various lines into fewer but larger and stronger systems which could eliminate some ruinous competition or certain routes, might provide much greater economies in scheduling, or might work out other operating economies. The Civil Aeronautics Board members must make some rather difficult and far-reaching decisions.

PROPOSED WITHHOLDING OF TAXES ON DIVIDENDS AND INTEREST

Mr. BENNETT. Mr. President, in the face of the tremendous mail all of us are receiving in opposition to the Treasury's proposal to withhold the tax on interest and dividends, I have been seeking for a practical and effective alternative.

Today, I wrote a letter to the Honorable Stanley S. Surrey, Assistant Secretary of the Treasury, spelling out a program which I think can be put into effect by regulation without requiring additional legislation, which I believe will accomplish almost as much as the withholding provision at infinitely less cost. I am sending a copy of this proposed alternative to every member of the Finance Committee and ask unanimous consent that it be included in the RECORD as part of this statement, in order that my colleagues may have an opportunity to consider its value.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 24, 1962.

Hon. STANLEY S. SURREY,
Assistant Secretary,
Department of the Treasury,
Washington, D.C.

DEAR MR. SURREY: When you and I were visiting in my office last week, I told you I was working on an idea which I thought could provide a practical alternative to withholding on dividends and interest. I have worked this out now to the point where I would like to pass it on to you as well as to other members of the committee, so that you can be thinking about it in the unexpected interim that has developed in the committee's activities.

It seems to me that taxpayers who are now failing to report their interest and dividend income will fall into three classes (1) those who fail to report out of sheer ignorance; (2) those who forget certain types of dividend or interest income that should be reported, largely because it is merely accumulating in a bookkeeping system somewhere and they do not receive it in cash; and (3) those who knowingly fail to include

such income in their reports. I have a feeling that a substantial part, if not the largest share of the failures, fall in the first two classes.

I therefore suggest that a simple checklist be included with every income tax form on which by checking the proper square, the taxpayer would in effect be required under penalty of perjury to make a complete check of his interest and dividend income. This list would serve as a reminder for those who *are forgetful*, and might be a psychological deterrent to those who are inclined toward evasion. Certainly, the cost of supplying this form and the amount of effort required to fill it out would be infinitely less than the cost and other problems created by the proposed withholding program.

I am enclosing with this letter three exhibits. Exhibit A lists my understanding of the types of interest and dividend which would and would not be covered by the withholding provision of H.R. 10650. Exhibit B is a rough sample of the type of form about which I have been talking. Exhibit C is a list of five other approaches to the key opening paragraph.

Another possible alternative would be to require the taxpayer, instead of checking the "yes" box where it applies, to state the actual figure reporting his dividend or interest income in that particular category.

I realize that this is another approach to voluntary cooperation. I think it has the value of being both educational, and to coin a phrase, "collectional." Used in conjunction with the ADP process, I believe it has great merit.

I know you and your staff will study it carefully and I will be grateful for your comments.

With kindest personal regards.

Sincerely,

WALLACE F. BENNETT.

EXHIBIT A

The Treasury Department has enumerated the following types of interest and dividend payments which must be reported by the recipients as income. (See pp. 148 and 149, pt. 1, hearings before the Senate Finance Committee on H.R. 10650.)

Cash distributions to stockholders by domestic corporations.

Cash interest paid on Government securities.

Interest paid on corporation bonds and notes.

Interest on time and savings deposits (whether paid in cash or credited).

Interest on savings shares (whether paid in cash or credited).

Interest paid on holdings of foreign bonds.[1]

Interest on farm mortgages paid to nonfarm individuals.[1]

Interest paid on nonfarm mortgages.[1]

Interest paid to unincorporated brokers and dealers.[1]

Interest paid to unincorporated consumer credit companies.[1]

Interest paid on life insurance dividends left to accumulate.[2]

Interest paid to retail auto dealers.[1]

EXHIBIT B

SAMPLE STATEMENT OF DIVIDEND AND INTEREST INCOME

All of the dividend and interest income which you receive, whether in cash or credited to your account, or to which you otherwise become entitled, must be reported on your income tax return. For each of the types of interest or dividend income listed below, check "yes" if you received such income and reported all of it, or check "no" if you did not receive income from that source. One square must be checked for each category listed below.

1. Cash dividends received on stock in corporations. Yes ☐ No ☐

2. Dividends received directly from mutual funds:

(a) cash dividends received directly from mutual funds. Yes ☐ No ☐

(b) Dividends received from mutual funds left to accumulate. Yes ☐ No ☐

3. Interest received on Government securities:

(a) Cash interest received on Government securities, including series H, G, and K bonds. Yes ☐ No ☐

(b) Interest received on redemption of series E, F, and J savings bonds. Yes ☐ No ☐

4. Interest received on corporation bonds and notes. Yes ☐ No ☐

5. Interest received on savings or time deposits in commercial banks:

(a) Interest received directly, in cash. Yes ☐ No ☐

(b) Interest credited. Yes ☐ No ☐

6. Interest or dividends received on deposits or accounts in mutual savings banks, savings and loan associations, credit unions, etc.:

(a) Interest received directly, in cash. Yes ☐ No ☐

(b) Interest credited. Yes ☐ No ☐

7. Interest received on mortgages. Yes ☐ No ☐

8. Other dividends or interest received (for example, interest received on holdings of foreign bonds, interest received on life insurance dividends left to accumulate, etc.) Yes ☐ No ☐

Specify_____.

I hereby declare under the penalty of perjury that this statement has been examined by me and to the best of my knowledge and belief is true, correct, and complete.

Date_____.

Signature_____.

Signature_____.

(If this is a joint return (not made by an agent), it must be signed by both husband and wife.)

EXHIBIT C

There are a variety of ways in which the question on a statement of dividend and interest income might be phrased effectively. The following examples could each be used instead of the one on exhibit B:

I. Have you reported all of the dividend or interest income which you received in cash or which was credited to your account or to which you otherwise became entitled from any of the sources listed below? Check "yes" if you received and reported such income in this return; check "no" if you did not receive any dividend or interest income from a particular source.

II. You must report all of the dividend and interest income which you receive in cash or which is credited to your account or to which you otherwise became entitled. If you received and reported dividend or interest income from any of the sources listed below, check "yes"; if you did not receive any income from a particular source, check "no."

III. All of the dividend and interest income which you receive in cash or which is credited to your account or to which you otherwise become entitled must be reported. Sources from which you may have received such income are listed below. Check "yes" if you received and reported such income; check "no" if you did not receive any income from that source.

IV. Did you receive any interest or dividend income—in cash or credited to your account or to which you otherwise became entitled? If so, did you report it? Below, check "yes" if you received interest or dividends from a particular source and if you reported it; check "no" if you did not receive income from that source.

V. Everyone who receives dividends or interest whether in cash or credited to an account or to which they otherwise become entitled must report them as income. Have you reported all of your dividend and interest income? If you received and reported income from any of the sources listed below, check "yes"; if you did not receive income from a particular source, check "no."

[1] Would not be subject to withholding under the provisions of H.R. 10650.

[2] Under the provisions of H.R. 10650, this would be subject to withholding; however, the Treasury has suggested that this particular form of interest should not be subject to withholding.

AID TO YUGOSLAVIA

Mr. CAPEHART. Mr. President, I rise to read to the Senate two headlines which appeared on articles, one under another, on page A27 of the Thursday, May 24, edition of the Washington Post.

Headline No. 1: "Yugoslavs Accept Bid To Visit U.S.S.R."

Headline No. 2: "Russia May Buy Yugoslav Ships."

I ask unanimous consent, Mr. President, that the texts of both articles be included at this point in my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

YUGOSLAVS ACCEPT BID TO VISIT U.S.S.R.

BELGRADE, YUGOSLAVIA, May 23.—A 12-member Yugoslav parliamentary delegation will visit Russia in June at the invitation of the Supreme Soviet, it was announced here today.

The visit in the second half of the month was regarded as a sign of the easing of strained relations between Josip Tito's Yugoslavia and the Soviet Union.

The delegation will be headed by Petar Stambolic, Speaker of Parliament, and a member of the Yugoslav Communist Party Politburo.

During his tour last week of neighboring Bulgaria, Nikita Khrushchev spoke more kindly of the Yugoslav regime than any Soviet leader has done for years.

RUSSIA MAY BUY YUGOSLAV SHIPS

LONDON, May 23.—Russia is negotiating to buy Yugoslav ships, including large tankers and freighters, a Soviet Foreign Trade Ministry spokesman said in Moscow today.

The spokesman, quoted by the Soviet news agency Tass, said the talks are being held in Moscow under the long-term trade agreement for 1961–65 between the two countries which envisages an increase of more than 30 percent in 1962 compared with last year.

Mr. CAPEHART. Then, Mr. President, I call to Senators' attention the fact that from 1946 through 1961, our taxpayers gave to Yugoslavia a total of $2,800,000,000 in economic and military assistance.

The foreign aid bill which is before this Senate at this very moment authorizes $10 million of development loan funds to Yugoslavia.

What have we done? What are we doing?

When will we learn better?

DEVELOPMENT OF OIL SHALE DEPOSITS IN BRAZIL

Mr. MORSE. Madam President, the Senator from Colorado [Mr. CARROLL],

who could not be present today, has asked me to read into the RECORD a letter which he has received from the President of the United States in response to a letter which the Senator from Colorado and I cosigned and sent to the President some time ago in regard to the desirability of assisting Brazil in developing Brazil's oil shale deposit.

I am pleased to accommodate the Senator from Colorado by reading the President's letter into the RECORD at this point. It was the view of the Senator from Colorado—and I share the view—that a letter from the President of the United States should not be merely printed in the RECORD but should be honored by being read into the RECORD. The letter was received May 24, 1962:

THE WHITE HOUSE,
Washington, D.C., May 24, 1962.

Hon. JOHN A. CARROLL,
U.S. Senate.

DEAR SENATOR CARROLL: I appreciate the comments contained in the letter of March 30 cosigned by you and Senator MORSE in which you indicate your support of U.S. consideration of a loan to Petrobras for the purpose of developing Brazil's oil shale deposits, in the event Petrobras should apply for such a loan.

We are interested in assisting Brazil to develop its vast natural resources. It would contribute to the solution of one of Brazil's most serious economic problems by providing an internal source of liquid fuels.

We have informed the Government of Brazil and officials of Petrobras that we are prepared to give careful consideration to an application by the Brazilian Government for a loan to Petrobras to finance a plant to demonstrate that production of oil from Brazilian shale on a commercial basis is feasible. We have also indicated that, if the initial phase of production proved successful, we would consider further financing for a commercial operation.

As you point out in your letter, Ambassador Gordon has stated publicly that on request from the Government of Brazil, the Government of the United States is prepared to consider a dollar loan to Petrobras, to assist in the construction of a prototype production unit. Recent conversations with high officials of the Brazilian Government indicate that an application may be forthcoming. I want to assure you that any such request will be handled expeditiously.

Sincerely,

JOHN F. KENNEDY.

Mr. President, on behalf of the Senator from Colorado [Mr. CARROLL] and myself, I thank the President for his reply and to commend him for the very wise foreign policy represented by the letter. The letter shows that the President intends to carry out the spirit and intent of the Alliance for Progress program. In my judgment, what the Senator from Colorado and I did when we suggested that the U.S. Government stand by ready to be of assistance to the Brazilian Government in the development of its oil shale was in keeping with what I considered to be our obligation under the Alliance for Progress program.

SERVING OF ALCOHOLIC BEVERAGES ON THE SENATE SIDE OF THE CAPITOL AND IN THE SENATE OFFICE BUILDINGS

Mr. MORSE. I shall be very brief in my comments on my next subject. The Washington Post contained the following short article:

SENATORS FORGET DRY RESOLUTION

The Senate Rules Committee found a nice quiet pigeonhole yesterday for Senator WAYNE MORSE'S resolution barring the serving of hard liquor in the public rooms of the Senate Capitol wing and in the Senate Office Building.

A committee aid said seven members were present at the closed session which postponed indefinitely consideration of the Oregon Democrat's suggestion. There was no dissent, the aid said.

Mr. President, for me to say that I regret that action of the Senate Committee on Rules and Administration, if that was the action of the committee, would be a great understatement. I do not know whether the Rules Committee took the action reported in the Washington Post, in the article which I have just read, because I have not received any notification from the committee of any position it has taken on my resolution.

For me to say that the action of the Rules Committee, if this was the action of the committee, is inconsiderate, is also to put it mildly. I had sought to have this matter handled in accordance with the regular procedures of our legislative processes. It had not been my understanding that when a Member of the Senate in good faith presents to the Senate a resolution which seeks to change the rules of the Senate, that resolution would not even be given the consideration of a hearing by the Rules Committee.

I want the RECORD to show that the committee never gave me an opportunity to appear before it for a hearing on my resolution. I shall continue to hope that the committee will reconsider its action, if the committee has taken such action.

I wish to do everything I can to cooperate with the committee to that end.

The RECORD should show, and I wish the leadership of the Senate to understand, that the senior Senator from Oregon was never more in earnest about any piece of legislation or any resolution that he has ever introduced in the Senate.

My resolution seeks to end an official policy of the Senate, which the Senate has adopted in my judgment and cannot deny that it has adopted, when it opened the new conference and reception hall on the Senate side of the Capitol and set up two bars and proceeded to serve hard liquor at an official Senate function.

I wish to make it clear that the Capitol and the Senate Office Buildings do not belong to Members of the Senate. I wish to make it clear that the Capitol Building and the Office Buildings of the Senate belong to this country. Of one thing I am absolutely convinced, and that is that an overwhelming majority of the American people would agree with the senior Senator from Oregon on this issue. I intend to take the issue to the people of this country by using every means I can.

If the Senate wants to put the senior Senator from Oregon in a position where I have to use every parliamentary right at my command to focus official attention on my resolution, I serve notice on the leadership of the Senate tonight that I intend to do so. I also serve notice on the leadership of the Senate that I have but one desire, and that is to cooperate with the leadership of the Senate in a proper legislative consideration of my resolution.

The senior Senator from Oregon does not take anything lying down, including the pigeonholing of a resolution which I submitted in good faith and which was referred to the Committee on Rules and Administration, and in regard to which I have every right to have a hearing before the committee. I have every right to have that resolution come to the floor of the Senate either with an adverse report or a favorable report or no report at all.

On this question I am battling for the interests and desires of a majority of the American people. I serve notice here and now that we will find out in this session of Congress whether we will get action on a resolution which involves one of the great moral issues facing the country, the issue of alcoholism, with respect to which the Senate has put itself on record by its action of encouraging at an official function or functions of the Senate the drinking of hard liquor, thereby setting what I consider to be a shocking example in regard to this whole problem of alcoholism.

All I have asked for is consideration of the resolution on the merits of the issue. However, when I have information such as I have in my hand, that there are thousands of persons in the District of Columbia suffering from alcoholism, I say it is a pretty shocking thing that the Senate, at an official Senate function as a matter of official Senate policy would provide for the serving of hard liquor in the public rooms of the Capitol and the Senate Office Buildings.

If I am correctly informed, I understand that such is not the policy on the House side. I commend the House. This is a legitimate issue involving the rules of the Senate. The American people who own this building and the Senate Office Buildings, are entitled to have decided the policy question as to whether or not a majority of the Members of the Senate want to endorse, by way of a public vote, a policy of serving hard liquor at official functions of the Senate in the public rooms on the Senate side of the Capitol and in the office buildings of the Senate.

I do not desire to be unpleasant about it. However, the Committee on Rules and Administration is not going to sidetrack the convictions of the senior Senator from Oregon on what he considers to be a great moral issue, without the senior Senator from Oregon doing everything he can in the interest of the people who, I am satisfied, are on his side on this issue in having their rights protected here in the Senate.

I have made very clear that drinking on the part of any Member of the Senate is his private business. I have made it very clear that I do not seek to interfere in the private life of any Member of the Senate. I have always made it clear that in my judgment there are those of us in the Senate who do not approve of the policy of serving hard liquor at Senate

functions in the public rooms on the Senate side of the Capitol and in the Senate Office Buildings. I have made clear that there are some of us who believe that this is a horrendous example to be setting for the youth of this country. Each day literally thousands of high school and college students, who represent the greatest wealth we have, come through the corridors of the Capitol and the corridors of the Senate Office Buildings. I do not believe it is a very good thing to have them visiting the Capitol and the Senate Office Buildings and receiving information that at official Senate functions and parties in the Capitol and in the Senate Office Buildings hard liquor is served.

I know that when one takes the position I take, he must expect to receive a good many criticisms, and to be accused of being a prude or a bluenose or one who wants to regulate the lives of others. I have no desire to regulate the lives of others. I have said before, and repeat tonight, that if Senators want to give a party at which booze is served, they should go downtown and rent a reception room at a hotel.

But I have said also, and repeat tonight, that the taxpayers of the Nation have a right to a voice on this subject. They will have no voice in it unless the representatives of the taxpayers stand on the floor of the Senate and are counted on the question whether they wish to endorse a policy of serving hard liquor in the public rooms of the Capitol and the Senate Office Buildings.

I have written a letter to each member of the Committee on Rules and Administration, in which I have respectfully asked whether the article published in the Washington Post is accurate, and in which I have said that if it is accurate, I should like to have the committee at least reconsider its action long enough to accord me a hearing before the Committee on Rules and Administration in support of my resolution, and give me an opportunity to present to the committee a list of witnesses from across America who, my correspondence shows, are desirous of coming to Washington to testify concerning this question.

Representatives of various church organizations, of various civic organizations, and of various business organizations are entitled to an opportunity to be heard on this issue. They want to come and testify on the issue because in my judgment, they recognize that it is a much more serious issue than the members of the Committee on Rules and Administration apparently realize. The representatives of these organizations recognize that the people of the country have the right to be heard, the right to petition, and the right to testify before their Government with respect to a policy which involves an issue of such vital concern to so many millions of people as is this one.

Mr. President, this question cannot be laughed off; it cannot be minimized. In my judgment, it is a problem which deals with the social fabric, and the policies of the American people in relation to the social fabric of the Nation.

I shall await the reply of the Committee on Rules and Administration to my letter. If, as a Member of this body who has demonstrated time and time again in his many years of service his complete parliamentary fairness to all other Members of the Senate, I cannot obtain a hearing on my resolution, if I cannot bring before the Committee on Rules and Administration the witnesses who wish to testify on the resolution, I shall use every parliamentary right at my command from now until Congress adjourns, no matter when that is, even if it is not until Christmastime, to focus attention on the great moral issue that has been raised by my resolution.

If anyone thought the senior Senator from Oregon was treating his resolution in a light vein when he submitted it, he could not have been more mistaken, because, so far as the Senator from Oregon is concerned, the policy which the Senate is following in serving hard liquor in the Capitol and the Senate Office Buildings cannot be justified in the public interest.

The taxpayers are entitled to have the practice stopped, and I shall use every power at my command to try to stop it. If I fail, it will not be because I did not try.

RECESS UNTIL MONDAY NEXT

Mr. MORSE. Mr. President, I move, under the order previously entered, that the Senate take a recess until 10:30 o'clock a.m. on Monday, next.

The motion was agreed to; and (at 6 o'clock and 53 minutes p.m.) the Senate took a recess, under the order previously entered, until Monday, May 28, 1962, at 10:30 o'clock a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 25, 1962:

ENVOY

Mrs. Eugenie Anderson, of Minnesota, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Bulgaria.

DEPARTMENT OF STATE

Lucius D. Battle, of Florida, to be an Assistant Secretary of State.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Seymour M. Peyser, of New York, to be Assistant Administrator for Development Financing, Agency for International Development.

U.S. ATTORNEYS

Louis C. LaCour, of Louisiana, to be U.S. attorney for the eastern district of Louisiana for the term of 4 years.

Ben Hardeman, of Alabama, to be U.S. attorney for the middle district of Alabama for the term of 4 years.

U.S. MARSHALS

Roland S. Mosher, of Arizona, to be U.S. marshal for the district of Arizona for the term of 4 years.

Edward Hussey, Jr., of Delaware, to be U.S. marshal for the district of Delaware for the term of 4 years.

U.S. ARMY

The following-named officer, under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in the rank indicated:

To be lieutenant generals

Maj. Gen. Theodore William Parker, O18369, Army of the United States (brigadier general, U.S. Army).

1. The following-named officer to be placed on the retired list, in the grade indicated, under the provisions of title 10, United States Code, section 3962:

Lt. Gen. John Honeycutt Hinrichs, O17174, Army of the United States (major general, U.S. Army).

2. The following-named officer, under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in the rank indicated:

Maj. Gen. August Schomburg, O18422, U.S. Army.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 28, 1962

The House met at 12 o'clock noon.

Rabbi Meir Felman, Judea Center Synagogue, Brooklyn, N.Y., offered the following prayer:

Almighty God, we lift our hearts in praise and gratitude for the spiritual heritage of America; for freedom of altar, home, and school; for patriot souls, heroes of the spirit, loyal to Thy living word, who offered full measure of selfless devotion that this precious legacy might be preserved to us and to our children.

As we enjoy the rewards earned by the labors of our Founding Fathers, may we fully comprehend that the tasks they so nobly advanced are never finished; that freedom is not inherited, it must be merited; that liberty is not bought, it must be taught; that brotherhood and peace are not possessions but goals to be reached and ideals to be attained.

Merciful God, bless our glorious land and the eminent men and women who direct its destiny so that peace and security, happiness and prosperity, right and freedom may forever abide in our midst. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, May 24, 1962, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3225. An act to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.